IN THE CIRCUIT COURT OF THE UNITED STATES FOR THE EASTERN DIVISION OF THE EASTERN JUDICIAL DISTRICT OF MISSOURI

UNITED STATES OF AMERICA, PETITIONER,

v.

STANDARD OIL COMPANY OF NEW JERSEY ET AL., DEFENDANTS

DEFENDANTS' TESTIMONY

On behalf of the defendants:

Mr. JOHN G. MILBURN, Mr. MORITZ ROSENTHAL, Mr. JOHN S. MILLER, Mr. M. F. ELLIOTT, Mr. MARTIN CAREY, Mr. F. L. CRAWFORD, Mr. DOUGLAS CAMPBELL, Mr. C. W. MARTYN.

On behalf of the petitioner:

Mr. FRANK B. KELLOGG, Mr. C. B. MORRISON, Mr. J. HARWOOD GRAVES

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With List of Witnesses

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12722 JOHN D. ARCHBOLD, being duly sworn, testified as follows:

Direct examination by Mr. ROSENTHAL:

Q. Mr. Archbold, what is your full name?—A. John D. Archbold.

Q. Where do you live?—A. New York City.

Q. About how long have you lived in New York City?—A. About 27 or 28 years.

Q. And where did you live before coming to New York City?—A. At Titusville, Pennsylvania.

Q. How long did you live at Titusville?—A. I had lived there principally from 1864 to 1880, being here a part of the time, however, in the interim.

Q. Practically all of the time, then, from 1864 to 1880 was spent by you at Titusville and that neighborhood?—A. I was for two or three years of that time principally here in New York.

Q. What is your present occupation?—A. I am a vice-president of the Standard Oil Company of New Jersey.

Q. And you have been for some years?—A. Yes.

Q. During the years you were at Titusville, from 1864, what was your occupation generally; petroleum business?—A. Petroleum business. Shall I tell you in detail?

Q. In just a moment I will get to that. Prior to 1864 where did you live?—A. I lived in Ohio.

Q. Whereabouts in Ohio?—A. For the two years prior to going to Pennsylvania I lived at Salem, in Columbiana County, Ohio.

Q. You were a boy at that time?—A. Yes.

12723 Q. And what was your business out there in Ohio?—A. I had been for two years in a general store in Salem prior to going to Titusville.

Q. Then in 1864 you came to Titusville, and what business did you thereupon engage in?—A. I was first a clerk in an oil shipping and dealing establishment, one of the largest at that time.

Q. Do you remember the name of the concern?—A. William H. Abbott.

Q. And how long did you so continue?—A. I continued in that clerkship until 1867, when I was made a partner.

Q. Of William H. Abbott?—A. Of William H. Abbott, under the firm name of William H. Abbott & Company.

Q. What do you say the business of William H Abbott and William H. Abbott & Company was?—A. They were dealers and commission merchants in oil.

Q. There at Titusville?—A. At Titusville.

Q. How much of a town was Titusville in those days?—A. It was a very active town of six to eight thousand inhabitants.

Q. In what county of Pennsylvania is it located?—A. Crawford.

Q. After 1868, how long did you continue associated with the firm of William H. Abbott & Company?—A. The association began in the

spring of 1867. I continued, I think, in that association until about the early part of 1870; but in the meantime, in 1869, I had engaged in the refining business also.

Q. Up to 1869 you had not then been actively engaged in refining?—A. No.

12724 Q. Your business prior to that time had been largely with the selling end of the industry?—A. Both buying and selling.

Q. Both buying and selling?—A. Yes.

Q. And in connection with your work as a buyer of oil did you get around the then oil fields of Pennsylvania?—A. I did.

Q. And in connection with the sale of the oils, where was the place where you did that business? There at Titusville, or at Titusville and New York?—A. Principally at Titusville. The business centred there.

Q. What refinery did you become connected with in 1869?—A. The firm of Porter, Moreland & Company.

Q. Located where?—A. At Titusville.

Q. And who comprised that firm?—A. H. E. Porter, B. E. Moreland, and myself.

Q. You were one of the partners of that firm?—A. Yes.

Q. Was that the time that the firm started in business, in 1869?—A. No; it had been in business prior to that.

Q. How long did you continue as a member of that firm?—A. Until the sale of the property in 1875.

Q. And you were active in the conduct of the business?—A. I was.

Q. Did the firm of Porter, Moreland & Company have more than one refinery at Titusville?—A. Only one.

Q. Give us some idea of the size of that refinery.—A. It was a refinery of very considerable size for those days.

Q. Betweeen 1869 and 1875 was there any development in the size of the Porter, Moreland & Company refinery?—A. Oh, yes. After I joined the firm—and Mr. Porter joined at the same time

12725 with me—we increased the capacity of the works very greatly.

Q. In those days, from 1864 to 1875, where was the source of supply of petroleum, so far as this country was concerned, principally?—A. It was in a very few counties of western Pennsylvania.

Q. What were those countries?—A. Venango, Crawford, Warren, and then extending into Butler and Clarion. Those were the principal counties.

Q. In 1864, when you first started, where was the principal source of supply among those counties?—A. In Venango.

Q. And between that time and 1875 (stopping at that point for the time being) what was the course of the development, so far as the discovery of crude oil and the opening of crude oil fields was concerned, there in Pennsylvania?—A. The discovery began originally in Crawford County, nearly on the edge of Venango, extended into Venango, and then gradually on south into Butler and Clarion, and then into Warren, and a little later into McKean County, Pennsylvania, and the counties north.

Q. About how many miles from north to south and east to west was that oil country in Pennsylvania, say during those years?—A. Up to 1875?

Q. About '75, say?—A. I should say in 1875 it had reached a maximum of 75 miles or perhaps 100 in length.

Q. How far from Pittsburg is Titusville? Do you remember about that?—A. Oh, it is 130 or 140 miles.

Q. And was there any water route from Titusville and Oil City in the oil regions, to Pittsburg, that was used during those early days in the transportation of oil?—A. Yes.

12726 Q. Will you describe that for us, please.—A. The Allegheny River extended from Pittsburg past Oil City, and then swerved up through the Warren County section; but Oil Creek, which was the original basis for the oil supply, was a tributary of the Allegheny River, which emptied into that river at Oil City, and the early method of the business was to retain the water in ponds until there was a sufficient volume so that it could be let loose and carry out barges laden with the oil, in barrels, in what we called pond freshets. That was the method largely employed; indeed, in the very early days, principally employed in reaching Pittsburg.

Q. That is, these oil regions strung along Oil Creek for a number of miles?—A. Yes.

Q. And back from the creek on both sides I suppose?—A. Yes, and along the Allegheny River—tributary to the Allegheny River.

Q. Now, in those early days, say between 1865 and 1870, where were the refineries principally located?—A. You mean in the oil regions?

Q. Yes, first in the oil regions.—A. Little refineries sprang up all along the creeks and the river in the oil regions, very small, primitive concerns. The larger concerns were located at Oil City and Titusville, and later at Franklin.

Q. Could you give us some idea of the size of these small concerns that sprang up along the creek? Please tell us what they were able to do and the character of their equipment, taking it as a

12727 general proposition.—A. Oh, they were very inconsiderable concerns, often with single little goose-neck stills, hastily constructed and ineligibly located as a rule, put up just in the hurry of the mining excitement of the early day, without much knowledge of what the business could or would develop into—mere make-shifts of concerns.

Q. In addition to those refineries in the oil regions what were some of the other principal refining centres?—A. Pittsburg, Cleveland, and the seaboard cities New York, Philadelphia, Baltimore, and I think as early as that Boston—yes, Boston—and a little later, perhaps, Portland. Then there were a good many little refineries sprang up at local points over the country, with a view in those early days of catering to the business of a locality, such as Erie, Jamestown, Auburn, and places like that.

Q. How did you get the crude in those days from the wells to the market, to the refineries?—A. In barrels up to a period, hauled by teams from the wells to the shipping points on the railroad.

Q. That is, in the early days of the industry the method of gettin the oil from the wells to the railroad was by teaming it?—A. I teaming it in barrels.

Q. And was that at times a difficult proposition up there in th region?—A. Oh, very difficult indeed, and attended, of course, wi great expense as to cost, great loss in leakage, and difficult in handlin in every way.

Q. Then gradually the little gathering lines came in, did they?

A. They did.

12728 Q. In those early days how well were they constructed?

A. In the experimental stage they were very poorly co structed. The kind of construction that was necessary was poor understood. The material to be had was inferior, of course, in qua ity, for there had been no experience in it, and for a number of yea their service was very poor indeed.

Q. What was the method of marketing the refined oil in the days, so far as domestic trade was concerned? How was that done as it is now, through the retail merchant, who reaches the consum directly, or how?—A. Oh, I think it was done in the crudest possib way, by advertising the oils and often the sending of samples to r mote points with a view to inducing customers. The product of t refineries at that time was of very uncertain quality indeed both as color and test and burning quality, and the introduction for domes use was of slow progress. There was tremendous distrust and opp sition to the article for many years on the ground of its lack safety and because of its bad odor and bad general condition.

Q. That is all within your experience in connection with the bu ness?—A. Oh, yes, indeed.

Q. Was there any oil exported in those early years?—A. There w some oil exported, but the export was of slow growth until lat when there began to be assured quality and regular supply for t foreign markets.

Q. What would you say with respect to the question as to whet or not from 1866 or 1867 until 1875, if you please, there wa

12729 greater refining capacity than the crude oil supply and refined oil demand required?—A. That was certainly t through the period from 1870 to 1875. I should say it perhaps gan a little earlier than that, even. The multiplication of refine had gone on. The business in its very early stages had been pro able, and many refineries were built, until there came to be a gr surplus of capacity, and in the early 70's that was so pronounced to make the business unprofitable.

Q. What do you say concerning wide fluctuations, if any, in price of both crude and refined during those earlier years?—A. Th were very wide fluctuations. The market was subject to the fluc ations not only of speculation, which was very rampant for a peri but to all the attendant features of the mining business as su There had not begun to be any system of reserved storage or served stock, and a single well would often influence the market v

materially indeed, and it was in respect to the question of fluctuation, of course, a business of hazard at that time.

Q. Was there much speculation in the purchase and sale of oil during those years?—A. From 1863 to 1866 there was a country-wide speculation in oil stocks, oil lands, oil companies of all kinds. Following that there began a speculation in the oil itself after a time when the stocks began to accumulate, and that attained very great proportions, oil exchanges being established at pretty nearly every financial center in the country, and the article being made a speculative medium to an enormous extent.

12730 Q. What would you say was the effect of that tremendous speculation during those years upon the industry as a whole, in respect to the question of stability or demoralization?—A. It resulted in very wide fluctuations, which made it a difficult and hazardous business for the manufacturer.

Q. These little gathering lines that were first laid there in the oil fields, how were they owned, by different individuals?—A. Oh, yes.

Q. And different interests?—A. Yes.

Q. And how would you say they were managed in those days as gathering lines?—A. As a rule their management was lax and poor.

Q. Have you caused to be prepared a map showing the extent of the pipe lines in the year 1869 in the Pennsylvania oil fields?—A. I have.

Map marked Defendants' Exhibit 258.

Q. I show you Defendants' Exhibit 258. Is that the map in question, and does it correctly represent the pipe line situation at that time?—A. It is, and does.

Mr. ROSENTHAL. I offer in evidence Defendants' Exhibit 258.

Q. The red lines upon this map, Defendants' Exhibit 258, are the lines which indicate the pipe lines, are they not?—A. They are.

Q. Have you also caused to be prepared a map showing the pipe line situation in 1874?—A. I have.

Map marked Defendants' Exhibit 259.

Q. Is that shown on Defendants' Exhibit 259?—A. It is.

Mr. ROSENTHAL. I offer in evidence Defendants' Exhibit 259.

Map marked Defendants' Exhibit 260.

12731 Q. I show you Defendants' Exhibit 260. Is that a map showing correctly the pipe line situation in 1877?—A. It is.

Q. In each of those cases the pipe lines are indicated by the red lines?—A. By the red lines.

Mr. ROSENTHAL. I offer in evidence Defendants' Exhibit 260.

Mr. KELLOGG. I reserve any right of objection to these, Mr. Rosenthal. I do not suppose that I will require any further identification as to the correctness of these, but may I reserve the right to object until such time as it appears——

Mr. ROSENTHAL. Oh, certainly. And if you wish us to, we will produce the engineers who made the map and you may cross-examine them.

Mr. KELLOGG. I don't suppose it will be necessary.

Mr. ROSENTHAL. Very well.

Q. Did you have to do with the organization of the National Transit Company in 1881?—A. I did not.

Q. You were at that time, however, connected with the Standard Oil Company—in 1881?—A. Yes.

Q. And I suppose you were generally familiar with the then pipe line situation?—A. I was.

Q. The National Transit Company was organized by Standard Oil interests, was it not?—A. It was.

Q. And for what purpose? To take over the then existing pipe lines into one organization that belonged to Standard Oil interests?—A. Yes.

Q. And that was done with but few exceptions, was it not?—A. It was.

12732 Q. What were the lines that were consolidated under the National Transit Company in 1881?—A. As I recall, they were the American Transfer Company lines, the lines of the United Pipe Lines Company, and a line either completed or partially completed to Cleveland, the name of which I have forgotten.

Q. Have you caused to be prepared statistical information showing the total mileage in 1882 of the then gathering lines?—A. I have.

Q. I mean the then gathering lines owned by the Standard Oil Company or the Standard Oil interests.—A. I have.

Q. And the same with respect to trunk lines?—A. I have.

Q. Have you also caused to be prepared the same information showing the mileage of the gathering lines of the Standard Oil interests in 1899 and 1908, and also that information with respect to the trunk lines?—A. I have.

A paper was marked Defendants' Exhibit 261.

Q. Is that shown in Defendants' Exhibit 261?—A. It is. I am familiar with it.

Q. Will you please state what the total mileage of the gathering lines of the Standard Oil interests was in 1882?—A. 2,468.60 miles.

Q. What was it in 1889?—A. 10,749 miles.

Q. And in 1908?—A. 45,227.74 miles.

Q. What was the extent of the trunk line mileage in 1882?—A. 1,062.95 miles.

Q. In 1899?—A. 3,904.54 miles.

Q. In 1908?—A. 9,388.91 miles.

12733 Q. Now, the total of both for 1882, 1899, and 1908.—A. 3,531.55 miles; 14,653.63 miles; 54,616.65 miles.

Q. So, from 1882 down to 1908 the pipe line mileage, both gathering and trunk lines of the Standard Oil interests, have increased from 3,531.55 miles to 54,616.65 miles?—A. Yes, sir.

Q. Will you please state whether that increase has been the result of purchases of existing pipe lines built by other interests, or the result of construction by the Standard Oil interests themselves?—A. It has been construction with the exception of one line.

Q. That one line being the Crescent Pipe Line?—A. Being the Crescent Pipe Line.

Q. With a mileage of about 271 miles?—A. Yes, about; I should say 300 miles.

Q. In 1882, with the exception of the one line you have named as being in Ohio, and which I think was then in process of construction you said, all of the gathering and trunk lines of the Standard Oil interests were located where?—A. They were located in the oil regions and between there and Pittsburg.

Q. The trunk line to the seaboard was at that time in process of construction, was it not?—A. It had been started, as I recall.

Q. Two of them?—A. Two lines, yes, sir, one through Pennsylvania and one through New York.

Q. Can you give us some definite idea now of where the pipe line system of the Standard Oil interests extends, and if so, please do so?—A. Well, the pipe line systems extend from the
12734 oil-producing sections of New York State, Pennsylvania, West Virginia, Kentucky, Ohio, Indiana, Illinois, Kansas, Oklahoma, and the Indian Territory, their principal interior points being Kansas City, Missouri, and a point near St. Louis I always forget the name of.

Q. North Alton?—A. North Alton; Whiting, Indiana; Cleveland, Ohio; Buffalo, New York; Pittsburg, Pennsylvania; Parkersburg, West Virginia; New York City, New York; Philadelphia, and Baltimore, there being a continuous service from the Indian Territory through to the Atlantic seaboard.

Q. In connection with defendants' Exhibit 261, have you caused to be prepared defendants' Exhibit 262, which shows by way of a diagram the mileage that is indicated in Exhibt 261?—A. I have.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits 261 and 262.

Q. In addition to that, I think there are pipe lines in California, are there not?—A. Oh, I should have mentioned California as an independent system; yes.

Q. In 1882 where was practically all of the crude oil; from what fields did the supply come?—A. Well, from the Pennsylvania fields principally.

Q. And the pipe-line system, therefore, in 1882 I suppose was practically entirely confined to the Pennsylvania field?—A. Practically so.

Q. Thereafter what other fields came along?—A. West Virginia developed into a very large field.

Q. About when was it that that became an important
12735 field?—A. I should say that began in the late eighties and it reached its climax in the nineties and continued a large field until now.

Q. When that field opened, what did your interests do with respect to the development of the pipe-line system in West Virginia?—A. We immediately extended the pipe-line system so as to meet the neces-

sities, the requirements, of production there and give to the producers the market they desired.

Q. What was the next field then that came along?—A. Ohio came at about the same time.

Q. And did you get into that field with pipe lines?—A. We did.

Q. Did you build them yourselves?—A. We did.

Q. Where was oil discovered after that?—A. It extended into Indiana.

Q. What did you do with respect to the construction of pipe lines into that field?—A. We extended the lines there immediately.

Q. Where else?—A. Kentucky came next as a considerable field.

Q. Were the lines extended into Kentucky?—A. Yes, sir.

Q. Will you tell us in your own way just what other fields were opened up and what the Standard Oil interests did with respect to the development and location of pipe lines?—A. Well, the next great field was that known as the midcontinent field, which is in Oklahoma and the Indian Territory and somewhat in Kansas, and we have provided there the best system possible for the care of the oil,

12736 consistent with the restrictions that have been put about our operations there by the Government.

Q. Are there pipe lines extending from the midcontinent field eastward?—A. Eastward.

Q. To what points?—A. We have what is really a continuous line from there to the Atlantic seaboard, but their points of delivery are principally at Kansas City, Missouri, at North Alton, and at Whiting, Indiana.

Q. Do I understand, Mr. Archbold, that the Standard Oil Company is now pumping oil from the midcontinent field to the seaboard?—A. It can do so. Yes, sir; I think it is. It is not, however, the Standard Oil Company as such in the operation of those lines.

Q. They are operated by Standard Oil interests?—A. Standard Oil interests.

Q. Are you able to tell us whether these respective fields have produced varying quantities of oil from time to time?—A. Oh, they have varied very greatly, as the records will show.

Q. And what relation has that, if any, to the construction of pipe lines?—A. The uncertain life of an oil-producing field makes the question of an investment in a pipe line, perhaps always, a thing of hazard and risk. There have been cases where fields have produced in a very prolific way for a short period and then have been exhausted, leaving a large investment valueless, or practically so.

Q. Do you have any fields in mind that illustrate that statement?—A. Oh, there might be many cases. I have one field especialy in mind that would be a strong illustration of it.

12737 Q. What is that?—A. That of the Cherry Grove field, in Warren County, Pennsylvania.

Q. Tell us about that, please.—A. Well, the Cherry Grove field was opened, according to my recollection, in the spring of 1882. Within about sixty days there was a production of 40,000 barrels a day and

we went ahead with the enormous preparation incident to such a production in the way of pipe lines, tankage, and machinery of all kinds for the construction, and expected to take care of a business of that magnitude. In the fall the production had gone down to 4 or 5 thousand barrels a day, from 40,000 barrels a day, within a period of 60 or 90 days. The pool of oil rapidly exhausted and the field was practically abandoned. I speak of that as an illustration of the hazard of the oil-producing field.

Q. What became of the pipe-line investment there?—A. Well, it had to be removed and utilized to the extent possible, and abandoned as to its use in that field.

Q. Through what source do the Standard Oil interests purchase their crude oil?—A. The Standard Oil Company of New Jersey purchases its supplies of crude oil principally, or indeed substantially, through Joseph Seep and his agencies.

Q. And that is known as the Seep Agency, is it?—A. Yes, sir.

Q. Can you tell us the modus operandi of the purchases?—A. Mr. Seep has his principal office at Oil City, Pennsylvania, but he has his local agents at every important point throughout the oil-producing territory with reference to the convenience of the producers in

12738 reaching the office and selling their oil and getting their money.

Q. Does the producer sell this directly to the Seep Agency?—A. He does; yes, sir.

Q. Then, where is the oil purchased—at the wells?—A. The oil is purchased after it is run into the pipe line. The pipe line company takes it from the well and gives the producer a ticket showing the amount run, and that ticket is the thing sold by the producer.

Q. That is, the pipe line gives the producer a certificate?—A. Yes, sir.

Q. And is it that certificate which is sold by the producer to the Seep Agency?—A. Yes, sir.

Q. That certificate or balance receipt evidences the quantity of oil that the producer has in the pipes?—A. Yes, sir.

Q. Is that correctly stated?—A. Yes, sir; that is correctly stated.

Q. After the producer gets his certificate what may he do with it?—A. Well, he may keep the oil in the pipe line for thirty days, as I recall it, without any cost for storage, if he thinks that during those thirty days the market conditions may improve, or he may keep it indefinitely in the storage tanks of the pipe line at the stated storage charge. That is fixed by the pipe line.

Q. Do you remember what that storage charge is?—A. My recollection is that in all the local lines now it is 25 cents a day for a thousand barrels.

12739 Q. So that on the payment of 25 cents a day storage per thousand barrels the producer may keep his oil indefinitely on these certificates?—A. Yes; or as a credit balance.

Q. In those fields where the Seep Agency purchases its oil, can you state whether there are other purchasers of crude oil than the Stand-

ard Oil interests?—A. Oh, there are other purchasers of crude oil in pretty much all the oil-producing sections.

Q. Are they purchasing the crude oil from the producer in competition with the purchasers representing Standard Oil interests?—A. They are.

Q. And has that been the case during all these many years that you have been connected with the industry?—A. It has, or substantially so.

Q. What, if anything, may the producer do with his certificate in so far as disposing of it is concerned?—A. Oh, he may sell it to any buyer that he pleases.

Q. How would the purchaser of the certificate or credit balance get the oil so purchased from the pipe line company?—A. The pipe line company has stated delivery points at which it would deliver on the certificate as submitted to it.

Q. Are those delivery points railroad points?—A. Railroad points.

Q. Do you mean by stated delivery points stated railroad delivery points, where the oil would be taken by the railroads and transported if required?—A. I am speaking now of the gathering, the local lines.

12740 Q. These certificates are issued by what lines?—A. The United Pipe Lines, a division of the National Transit Company.

Q. What are the United Pipe Lines?—A. They are the local gathering lines in the older part of the oil-producing regions.

Q. Can you give us an idea, based upon your experience in that connection, of how well the producer, in so far as the question of the gathering and handling of his oil is concerned, has been taken care of by the pipe lines owned and controlled by the Standard Oil interests, and if so, will you please do so?—A. My answer would be that the service of the United Pipe Lines and of the pipe lines of the Standard Oil interests throughout has been most satisfactory to the producing class, to the producers of oil. It has given them a prompt and steady outlet for their products, and they as a body realize the efficiency of the service and the fairness of the prices paid. Speaking generally, I should say that as a system it is the most perfect system for the handling of a commodity that can be found anywhere on earth, and it is so considered by the great body of oil producers.

Q. It has been charged by the Government in this case that the prices which the Standard Oil interests pay for crude oil are arbitrarily made by the Standard Oil interests. Will you please tell us, if you can, how crude oil prices are arrived at; that is, I mean the prices which the Standard Oil interests offer the producer for the crude oil purchased?—A. Well, I think I should answer

12741 that question first generally by quoting a circular which the Standard Oil interests issued to the producers when the present system was inaugurated many years ago, that they would at all times pay the highest price which the markets of the world will justify for the crude oil. Now, I can go into a very considerable

particularization of the way in which it is currently reached, if you wish me to do so.

Q. I would like to have you do so.—A. Of course, in the first place, the general question of supply and demand is taken into consideration, and on that, as on many other features affecting the price, we are in receipt of daily information from the world over as to the causes that would tend to and that do influence the price for crude oil. We take those reports into consideration primarily. We take into consideration the question of availability of the product in the district in which it is produced. We take into account the yields in the various products from the crude oils produced in the different sections, because the crude oils of the different sections vary greatly in quality.

Q. Just what do you mean by the yields of the crude?—A. I mean in the process of distillation that the products of certain of the crude oils are much more valuable than those of others. Take, for instance, the crude oil production of the mid-continent field and of Illinois. It is of inferior quality. It is a heavy oil, and the products obtained from it are of much less value than are the products obtained, if you please, from Ohio and Indiana oils, and they in turn are much less valuable than are the products obtained from the Pennsylvania crude oil, so called, and under the term "Pennsylvania"

12742 I would include the product of West Virginia, of southeastern Ohio, and some portions of Kentucky, where the oils from these latter sections are the best crude oils produced; that is, they give the best resultant yields, the most valuable products. Of course it costs more to produce the oil in Pennsylvania, and therefore a price is paid there to stimulate in that respect.

Q. Will you go on with your explanation in detail of any other elements that enter into the making of the price?—A. Yes. The question of the volume of production must be taken into account also. The mid-continent field is producing a quantity of oil that it is impossible to market, and it must, therefore, seek a level at which some new use can be found for it, such as fuel, if you please, or where people are willing to invest capital in its storage, involving the purchase of land, the erection of tanks, and the care of the oil for an indefinite period awaiting a market, and during that period also there is a depreciation in the value of the crude oil stored, because the lighter parts evaporate and the heavier parts become difficult of distillation and there is a general depreciation. All of these considerations are taken currently into account in the effort to find the fairest basis of price possible which to offer in these various sections.

Q. Take it in the mid-continent field. Do I understand you to say that the price of the oil there has any relation to its use as fuel rather than its use merely as an illuminant?—A. It is practically, and has been for a long time, at that point. It is really coming into competition with coal for use on the railroads in a large way, and for

12743 general manufacturing purposes as a fuel.

Q. What relation has that to the price paid for crude oil?—A. Well, it seeks that level to find a market.

(A recess of five minutes was here taken.)

Q. Are there any other elements that enter into the question of crude oil prices than those which you have mentioned?—A. Of course a very important element is the competition of foreign oil fields. We are having of course very serious competition now in many sections of the world. That has to be taken into consideration currently.

Q. Just what do you mean by that?—A. I mean that oil is being produced in different sections of the world and marketed to a very large extent, and in our effort to hold our position in foreign markets we must reckon currently with the offerings from those fields.

Q. That is to say, the crude oil which you purchase in this country to some extent—the exact extent I shall develop later—is sold in the markets of the world and against the product of the world's markets?—A. Yes, sir.

Q. And do I understand that that has any relation to this question of price?—A. Oh, a very marked relation, a very important relation.

Q. Well, the price which you pay for crude oil is how related, then, to the export price of crude oil?—A. We find currently at what price we can sell the finished products in the markets of the world, and that is a feature entering into our consideration of the price we can pay for crude oil here.

12744 Q. What has been the policy of the Standard Oil interests with respect to the question of taking all of the oil that is offered by the producer, and that in its relation to the question of storing the oil, and that broader situation in its relation to price?—A. It has been their policy to provide as ample facilities as possible for the care of the crude oil as it was produced in the various sections, and we have as a rule been successful in doing that. The only notable real exception that I recall is the mid-continent field, where, as I say, we have been somewhat restricted in our ability to carry forward our operations.

Q. Please tell us about this matter of the storage of oil in the oil fields, how that is done and to what extent that is done.—A. Oh, it is done to an enormous extent, in iron tanks, very large iron tanks, holding an average, say, of 35,000 barrels each, and the oil is run into them and held there awaiting a market.

Q. An indefinite length of time?—A. Often for an indefinite length of time.

Q. Held for whom?—A. Held for the owner, whoever he may be; it may be for producer, it may be the buyer of the oil who holds it on speculation, or it may be the refiner holding it as a reserve of stock, or whoever is the customer of the line in respect to the ownership of the oil.

Q. Can you give us some idea of the extent of oil that from time to time has been stored in these different fields, say in Pennsylvania, for example?—A. I rather think the maximum in the Pennsylvania

field was about 40 millions of barrels after the flush of the Bradford field; but the aggregate amount of oil stored to-day is perhaps the largest in the history of the business, taking the mid-continental field and all together.

Q. And how much is that?—A. I should say it was 85 millions or so of barrels.

Q. Do you mean by that that there are now in storage tanks in the various oil fields of this country, stored for future use, 85 million barrels of oil?—A. I should say fully.

12745 Q. Why has that oil been so stored?—A. Because there has not been a market for it; because it has been produced; because the production has been in excess of the demand.

Q. And notwithstanding that enormous accumulation of eighty-five millions of barrels, do the Standard Oil interests in these various fields still keep on buying the oil that is produced?—A. They have.

Q. Has that situation any relation to the question of price, and if so, what?—A. Oh, it has undoubtedly a bearing on the price. As I said to begin with, the underlying law of supply and demand is of course taken into consideration as one of the elements entering into the question of price.

Q. And has it any relation to the continued operation of the pipe lines?—A. Oh, yes; it is a very important thing to the pipe lines that there should be a reserve of oil in stock.

Q. Why?—A. Otherwise the fluctuation of production might leave the pipe lines at times without adequate supply for their lines or for their customers. It is, of course, a very necessary thing for them that there should be a considerable reserve of stock, and that is one reason that leads to the continuing purchase of the oil by the Standard Oil interests as a matter of investment, as a matter of stock.

Q. Can you give us some idea of how long this oil may be held in storage?—A. Oh, it may be held quite indefinitely. I should say, using the great midcontinent field to-day as an illustration, that it is altogether improbable that the oil which is being put in store there to-day will be taken out for ten years. I should say that it

12746 was quite improbable that it would be taken out in ten years from all that can be judged from the outlook now.

Q. Can you give us some idea of the investment that might be represented in the way of storage tanks in storing this large quantity of oil?—A. Yes; the iron tank costs to-day in the midcontinent field (and indeed it would be a fair figure perhaps in all the fields) about 25 cents a barrel. In addition to that there is the land.

Mr. MILBURN. How is that?

WITNESS. 25 cents for the tankage alone. In addition to that there is the land, which must be bought in fee, and the fittings necessary to make the connection, both for receipt and delivery; and then there is the natural depreciation in the value of the oil itself, which goes on to a greater or less extent as it is held in tank.

Q. Due to what causes?—A. Due to the evaporation of the lighter portions, the more volatile portions, which have the greatest market

value to-day in the products from the crude oil, and due also to a certain deterioration in the heavier parts. There is forming always, as oil is held in tank, a certain increasing amount of what in trade parlance is called B. S., or heavy oil which must be distilled separately from the pure crude. B. S. is to be interpreted. It is a trade name. I do not use it jocularly or lightly.

Q. So that the cost of storage tanks alone to store eighty-five million barrels of crude, at the rate of 25 cents a barrel, would in itself represent over $20,000,000?—A. It would; yes, considerably over that.

12747 Q. Without taking into consideration any of the other elements which you have just mentioned?—A. No; and in addition to that there is the accumulating interest, of course, in the investment as a whole—the investment in the land, the investment in the tank, and the investment in the oil.

Q. Those are all elements, I suppose, that must necessarily be taken into consideration in the making of price?—A. They must.

Q. And how about the danger so far as fires are concerned?—A. There is always great danger from fire. The aggregate losses from fire are, of course, very great.

Q. From lightning striking the storage tanks?—A. Yes; lightning principally.

Q. In these many years have there been great losses in that connection?—A. Oh, yes; great losses.

Q. Now I want to direct your attention generally to the early railroad situation in the oil fields. What were the principal lines reaching into Pennsylvania, say in the neighborhood of 1870?—A. The principal lines were the Pennsylvania, the Lake Shore or New York Central, and the Erie.

Q. What branch of the Pennsylvania extended into the oil fields?—A. The immediate connection of the Pennsylvania into the oil fields was the Allegheny Valley Railroad, running from Pittsburg north past Oil City on the line of the Allegheny River. They also touched, within a reasonable distance, the oil regions on the north at Corry and at Warren.

Q. Where did the pipe line known as the Columbia Conduit Line run?—A. It ran from the Butler oil field to Pittsburg.

Q. And in its relation to the Allegheny Valley road did it
12748 practically parallel that line?—A. It practically paralleled the Allegheny Valley road.

Q. In the early 70's do you know whether these railroads were then already grouped into systems, or were there many individual lines that were reaching into the oil fields?—A. The local lines that reached into the oil fields in those days were not part of the trunk-line system. They were independent lines to a very considerable extent.

Q. State what the character of competition was between these different railroad lines with respect to getting the oil business in the Pennsylvania fields in those early days?—A. Oh, the compe-

tition was very great. They were all seeking for the traffic, using every means possible to induce traffic to their different lines.

Q. How were freight rates made then?—A. They were made as a question of bargain as between the shipper and the railroad.

Q. Were there published freight-rate schedules that were widely distributed in those days, fixing rates?—A. There were not.

Q. I am talking now about the period, say, from 1865 to 1875–6–7. How about the payment of rebates and drawbacks during those early years by railroads, not only in the petroleum business but in business generally?—A. My answer on the question generally would be that the carriage of freight was a question of bargain as between the shipper and the railroad. It was true of all that period, and of the period up to the date, if you please, of the passage of the interstate-commerce law. Any man knew that he could go to the railroad and bargain for the transportation of his goods as

12749 he would go to a merchant and bargain for a bill of goods. It was a question of bargain. And the tremendous talk about our company having been peculiar in any respect in its relations to the railroads, in the fact that it made the best bargains it could for the transportation of its goods, has been very unjust indeed. We were in no different attitude toward that question than other large shippers, and indeed every other large shipper of every other considerable traffic in the United States, and the people who have made that outcry have done it for unfair and ulterior purposes. There has been no reason for it. Every man who had freight to transport knew that he could go to the different railroads and bargain among them for a price at which it should be transported.

Q. And prior to the time that Porter, Moreland & Company sold out to the Acme Oil Company was that your experience in the conduct of the business?—A. It was my experience. I arranged for the freight, bargained for the freight for Porter, Moreland & Company and for a number of other concerns whom I represented in the shipment of their goods, just as closely as I knew how, through all those years; and I found, after knowing more about the business of the Standard Oil Company, that I had not done so badly in many cases.

Q. Now, prior to your connection with the Acme Oil Company, back in 1872, you spent some time here in New York representing six or eight different refining interests, did you not?—A. I was here in New York practically from 1872 to 1875, or was most of the time here.

Q. Doing what?—A. I was here as the sales agent for a

12750 number of oil-region refineries, my own concern among the number.

Q. And refineries and interest not in any way then connected with the Standard Oil interests?—A. No, sir.

Q. During that time that you were representing these other interests you had to do with this freight question?—A. I did. I made freight engagements for these different concerns.

Q. And made them in the way that you have just described?—A. I did, and I knew that others were doing the same thing.

Q. Did you ever know what your next-door neighbor was getting in those days?—A. I did not, except as I could find it out by the most careful possible inquiry, and then I tried to beat him. I want to say, however, if I may in that connection, that the popular understanding of any special rate or rebate, or whatever you may call it, as having inured to the benefit of the shipper is altogether erroneous. When a manufacturer of those days got a rate of transportation from the railroad, he immediately made that a part of his cost, and the consumer invariably, if it was a reduction, got the benefit of it. I state that as a rule that applied in my knowledge of the business in those days.

(An adjournment was here taken until the morning of Wednesday, November 25, 1908, at 10.30 o'clock.)

12751 ROOM 508, CUSTOM HOUSE, NEW YORK CITY,
Wednesday, November 25, 1908—10:30 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr. Charles B. Morrison, Mr. J. Harwood Graves. On behalf of the defendants, Mr. John G. Milburn, Mr. Moritz Rosenthal, Mr. John S. Miller, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. W. Cleveland Runyon.

JOHN D. ARCHBOLD recalled and his direct examination resumed, as follows:

By Mr. ROSENTHAL:

Q. I want to direct your attention to the marketing situation in 1882, at the time of the organization of the Standard Oil Trust. Do you remember about how many marketing stations the Standard Oil interests had in, say, the year 1882?—A. My recollection is that there were about 130 stations.

Q. How was the marketing business done in those days?—A. It was done largely through jobbers at the more important points and through general merchants at the smaller points.

Q. How through the jobbers? How did the oil in those days ultimately reach the consumer?—A. The jobber bought the oil, taking it to his own stores, and of course making his own prices to the consumer.

Q. The jobber bought it from whom?—A. From the manufacturer, from the Standard Oil or from any other manufacturer
12752 whom he pleased.

Q. And when you speak of 130 stations that the Standard Oil interests then had, what do you mean by that? What do you mean by a station?—A. A warehouse, as it was in those days, for the reception of the oil, and from which it was distributed to the

trade. It involved the care of the oil and its distribution according to quantity and quality as demanded throughout the country.

Q. Did you at that time have the bulk stations, such as you have to-day, for example?—A. There were some bulk stations in 1882; yes.

Q. But in the main how was oil then carried?—A. In barrels.

Q. In barrels, stored in warehouses?—A. In barrels, stored in warehouses, and distributed throughout the country.

Q. So the price of the oil when it ultimately reached the individual consumer was the price that was dependent upon the price made by the jobber in the first instance and then by the retailer of oil to the consumer in the second instance?—A. It was.

Q. Where were those 130 stations that you speak of, generally speaking, located?—A. They were located at the larger cities and towns of the country, the more important distributing centres with reference to freight facilities.

Q. By 1888 had the number of stations owned and operated by Standard Oil interests increased somewhat and have you caused to be prepared a map showing just where those stations were
12753 located in the United States?—A. I have, and they had increased very largely.

(Map marked "Defendants' Exhibit 263.")

Q. I show you defendants' Exhibit 263. Will you please state what that is? Is it a map of the United States showing the location of the Standard Oil stations in 1888?—A. It is; showing in red dots the location of the stations.

Q. And how many stations were there by 1888?—A. 313.

Q. Now, in 1882 there were 130; in 1888, 313. Had those additional stations been created by the Standard Oil interests?—A. They had.

Q. And that fairly represents the location of the stations in 1888, does it?—A. It does.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 263.

Q. Have you caused to be prepared in the same form a map of the United States showing the location of the present stations of the Standard Oil interests and the number of those stations?—A. I have.

(Map marked "Defendants' Exhibit 264.")

Q. And is that shown on defendants' Exhibit 264?—A. It is.

Q. How many stations do the Standard Oil interests now have in the United States?—A. This showing is made as of the year 1906.

Q. In the year 1906 how many stations had the Standard Oil interests in the United States?—A. 3,573.

Q. And the difference between 313 in 1888 and 3,573 in 1906 came about how?—A. Through the creation of the Standard Oil
12754 interests.

Q. Those 3,573 stations that existed in 1906, how were they distributed geographically, describing them generally?—A. Of course there are more stations in the more densely populated sections of the country. The east and the middle and northern sections of the coun-

try have the most stations according to territory. I should say that they are very evenly distributed as to population.

Q. All over the country?—A. All over the country.

Q. Are those 35 hundred stations what you call main stations?—A. Those are called main stations.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 264.

Q. Can you tell us the essential difference between the marketing methods in so far as the sale of refined oil is concerned to-day and what it was in the eighties—in 1882, if you please?—A. In 1882 and up to that period the distribution, as I have already said, was largely made in barrels, and the wants of the trade throughout the country were met in a spasmodic and uncertain way. We realized, as the business grew, that that feature of the trade especially needed improvement. It was often true that the local jobber in the first instance exacted an extortionate profit or an exorbitant profit, and then it was also further true that the retailer exacted an exorbitant profit, and all this resulted in complaint the country over as to the price which the consumer was obliged to pay for the article, and our effort was to improve the facilities so as to come as close to the consumer as possible, and with that end in view we established the sta-
12755 tion system, which developed from the barrel to the bulk delivery; that is, the carriage of oil to the station in bulk cars, tank cars, and its distribution from there, as the trade developed, in bulk wagons to the consumer as nearly directly as possible. In all this we were actuated of course by a desire to extend our trade and increase the consumption of the article. Of course it incidentally was a great benefit to the consumer, in that it cheapened the price to him.

Q. That method of marketing, as compared with the old method, introduced economies all along the line, did it?—A. Oh, yes. The shipment of oil by barrels was expensive in every way. The cost of the barrel, its depreciation, and the freight on the barrel back to the point where it could be again filled all involved an expense that was very great, and the improvement in the methods of handling the oil to the consumer as a whole resulted in greatly minimizing the cost.

(Paper marked "Defendants' Exhibit 265.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 265, being a table showing the production of crude petroleum in the United States from 1859 to 1905, taken from a volume entitled "The Production of Petroleum in 1905, prepared under the supervision of David T. Day by W. T. Griswold, being the advance chapter from the Mineral Resources of the United States for the Calendar Year 1905," David T. Day being Chief of the Division of Mining and Mineral Resources, a department at Washington, the same being printed by the Government Printing Office in the year 1906, the accuracy of which I apprehend will not be challenged by counsel for the Government.

12756 Mr. KELLOGG. I have no doubt it is correct. Subject to investigation as to the correctness of the tables, there is no objection.

Q. I think you explained yesterday, did you not, the difference between the quality of Pennsylvania and West Virginia crude and Ohio, Illinois, and midcontinent crude?—A. I touched upon that.

Q. You touched upon that subject-matter, did you not?—A. I touched upon that subject-matter.

Q. That is my recollection of it.—A. Yes, sir. I perhaps should have explained a little more explicitly than I did that the crude oil production of Ohio and Indiana had in it a sulphur element that for a time was very difficult indeed to conquer. Indeed, it was thought for a long time that the oil would not be available for illuminating purposes, inasmuch as the sulphur element left a taint in the product of the oil that made it practically impossible of use. It gave off an odor and incrusted the wick, so that it was not usable. Therefore for a considerable time after the Ohio field and the Indiana fields were opened the oil had a value practically only for fuel purposes, and was so used. In the meantime, however, we went on with the experiments, employing the best talent procurable, both in the expert line in the distilling of the oil and the best chemical talent available.

Q. Whom do you mean by "we?"—A. I mean the Standard Oil interests. We finally evolved a method of distillation which rendered it available; but for two years or more after the construction
12757 of our large line to Chicago the delivery of the crude was for fuel purposes.

Q. And in the meanwhile what had been the supply of the crude, large or small?—A. It was increasingly large.

Q. And what had the Standard Oil interests done with respect to the purchase of that crude as it came?—A. They had gone on buying it and storing it in large iron tanks.

Q. Do you remember about how many millions of barrels of that crude you stored before the process had been discovered by which the sulphur could be eliminated?—A. I have not the figure in my mind, but it must have reached a very large maximum. I can secure it for you if you wish.

Q. Now I direct your attention to defendants' Exhibit 265, the exhibit showing the production of crude petroleum in the United States. Will you tell us, so that it may be in the body of the record, whether, beginning about 1870, from 1870 to 1874, there was a constantly increasing production of Pennsylvania crude, with the exceptions of the years 1870 and 1871, which appear to be practically the same?—A. Shall I read from this?

Q. Yes, sir.—A. Beginning with the year 1870?

Q. Yes, sir.—A. This is a table showing the production of crude petroleum in the United States for the years stated. In 1870 the production of Pennsylvania and New York aggregated 5,260,745 barrels.

Q. Per year?—A. Per year—for the year 1871, 5,205,234; 1872, 6,293,194; 1873, 9,893,786; 1874, 10,926,945.

Q. Now, examining that same column of figures there, can
12758 you tell us when the production of Pennsylvania crude reached

its maximum, the year and the amount?—A. It apparently reached its maximum in 1891.

Q. And what was the total production at that time?—A. Of Pennsylvania oil so called?

Q. Yes, sir.—A. 33,009,236.

Q. Now, that same year, in 1891, what was the production of West Virginia crude?—A. 2,406,218.

Q. And what was the maximum year of the production of West Virginia crude?—A. 1900.

Q. How much was that?—A. 16,195,675 barrels.

Q. Will you give us the production of Pennsylvania and West Virginia crude—that is, the Appalachian crude—for 1892, 1893, and 1894, giving them separately?—A. In 1892, Pennsylvania, 28,422,377; West Virginia, 3,810,086. In 1893, Pennsylvania, 20,314,513; West Virginia, 8,445,412. In 1894, Pennsylvania, 19,019,990; West Virginia, 8,577,624.

Q. Now, the Ohio fields at that time, from 1890 until 1895, had become great fields, had they not?—A. Yes, sir.

Q. Constantly increasing?—A. Oh, they had considerably prior to that. They had become great fields in the latter part of the eighties.

Q. Do you remember what was the effect of that tremendous influx of crude oil on prices about 1894 and 1895?—A. It resulted, of course, in a reduction of prices, a fall in prices.

Q. From 33 millions in 1891 what has Pennsylvania crude
12759 fallen to in last year named on that exhibit?—A. In 1905 the production here stated is 11,554,777.

Q. And what in 1905 was the production of West Virginia crude?—A. 11,578,110.

Q. Generally speaking, what has been the course of the production of Appalachian crude duing the past ten years, increasing or decreasing?—A. Decreasing.

Q. Decreasing rapidly, has it not?—A. Yes; rapidly.

Q. As a matter of fact, the total amount of crude produced in the entire country has during those years increased, has it not?—A. It has.

Q. But that total increase has been due, has it not, to the opening up of the western fields that you have heretofore described, which produce the cheaper oils that you have heretofore told us of?—A. It has.

Q. Take the Ohio field, when did that reach its maximum?—A. According to this table, in 1896.

Q. What was the crude production in the Ohio field in 1896?—A. 23,941,100.

Q. And what was it in 1905?—A. 16,346,660.

Q. When was the midcontinent field opened up so that it became a real producing factor?—A. No until along in 1902 or '03.

Q. What was it in 1902?—A. In 1902 the production of Kansas as stated here aggregated 331,749.

Q. And what was it in 1905?—A. That is, of Kansas?

Q. Yes.—A. Hold on. Then there is the Territory in addition to that, as it was then stated. The Territory was 37,100.

12760 Q. And what was it in 1905?—A. In 1905 Kansas is given as 12,013,495.

Q. And the Indian Territory?

Mr. MILBURN. That is the two combined.

A. I think they must have combined them. It looks so here. It must be so. That includes Oklahoma, includes the Territory.

Q. The increase in the midcontinent field was from 300 and some odd thousand to over 12 million?—A. Yes, sir.

Q. Between 1903 and 1905?—A. Yes, sir—1902.

Q. Is it greater now than it was in 1905?—A. Oh, much greater.

Q. That is, there is a constantly increasing production there, is there not?—A. Yes.

Q. Have the Standard Oil interests producing properties—oil wells?—A. They have.

Q. They started purchasing producing properties in what year [handing witness diagram]?—A. In 1889.

Q. That was shortly after what is known as the shut-in movement of the producers, was it not?—A. It was.

Q. That shut-in movement was when?—A. I should say it was 1886 or 1887.

Q. In 1887 I think.—A. 1887, yes.

Q. Do you remember whether the initiation of the policy on the part of the Standard Oil interests in connection with the purchase of producing properties had any relation to the shut-in movement of 1887?—A. No direct relation.

Q. As a matter of fact, however, after the collapse of the shut-in movement of 1887 the Standard Oil interests did begin

12761 the purchase of producing properties?—A. They did.

Q. Do you remember now, generally speaking, what that shut-in movement of 1887 was; and if so, will you please tell us about it?—A. The producers felt that the price of oil was at a nonprofitable figure, and they asked us to join in an effort to enable them to so restrict their production for a period as to bring about a better condition of price, and we made the effort jointly with them, at their request, and its purpose was solely for the benefit of the producers of the oil and for the working class in the producing regions. It was so understood and so discussed—so stated at the time.

Q. What caused it to fail?—A. The natural laws of trade caused it to fail.

Q. The impossibility of——A. Of restraining the individual producer in his operations.

Q. And thereupon and following that the Standard Oil Company began the purchase of producing properties with a view of producing in part at least their own requirements?—A. They did, yes, as a matter of business precaution and investment, and to be better informed as to the cost of producing oil.

Q. Have you caused to be prepared an exhibit which is marked "Defendants' Exhibit 266," comparing the Standard Oil production with the total production in the United States?—A. I have.

Q. What is the last year named on that exhibit?—A. 1906.

Q. And what then was the total production of crude in the United States?—A. The total production was 126,493,936 barrels.

12762 Q. And of that production how much was the production of the Standard Oil interests?—A. 14,052,113—about 11 per cent.

Q. Between 7 and 8 per cent, is it not?

Mr. MILBURN. No, no.

WITNESS. About 11 per cent.

Q. That is right.—A. About 11 per cent of the total production.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 266.

(Paper marked "Defendants' Exhibit 267.")

Q. Have you caused to be prepared defendants' Exhibit 267, comparing the Standard Oil production of crude oil with the total consumption of crude oil in the United States?—A. I have.

Q. What was the total consumption of crude in the United States in the year 1906?—A. 64,958,301 barrels.

Q. And the total production of the Standard Oil Company for that same year—state it again.—A. It was 14,052,113.

Q. So that the year that the United States produced 126 million and some odd thousand there was consumed by the refineries in the United States but 64 million and some odd thousand; that is, by the Standard Oil refineries?—A. It so appears.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 267.

By Mr. KELLOGG:

Q. Is that the total consumption of Standard Oil refineries, Mr. Archbold?

Mr. ROSENTHAL. Yes.

A. Yes; I so understand it.

Q. Then that is your percentage of production to your consumption?—A. Percentage of oil run, yes.

12763 (Paper marked "Defendants' Exhibit 268.")

By Mr. ROSENTHAL:

Q. Have you also caused to be prepared defendants' Exhibit 268, showing again the total production of crude oil in the United States, compared with Standard Oil consumption?—A. I have.

Q. And that shows the total production in 1906 again to be how much?—A. 126,493,936 barrels.

Q. And of that 126 million, how much was consumed by Standard Oil interests?—A. 64,958,301.

Q. And you show the same comparison from the year 1882 to 1906 on this exhibit?—A. I do.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 268.

By Mr. KELLOGG:

Q. Let me ask a question as to what these words mean: "Production of crude oil in the United States compared with Standard Oil consumption." Do you mean the consumption of the Standard Oil in its refineries?—A. In its refineries and in its trade as a whole.

Q. Does that mean crude oil for fuel, or just crude oil for consumption in the various refineries of the Standard Oil?—A. I should say that it included all the crude oil that they marketed, whether by distillation through their refineries or for export.

Q. That can be looked up afterward.—A. Oh, yes.

Q. But there is a large amount of crude oil produced in the United States which is only fit for fuel, isn't there?—A. A very considerable amount.

12764 Q. Especially in California?—A. Yes.

Q. And that is included in the total production here, is it, as you understand?—A. I suppose it is; yes.

Mr. KELLOGG. Will you please look and see whether that is so.

Mr. ROSENTHAL. We will verify that.

Q. That does not purport to give only those crude oils that are suitable for refining? It gives the total?—A. No; I understand it to cover the entire crude product.

By Mr. ROSENTHAL:

Q. You had a wide experience in the oil fields themselves in the seventies, did you not?—A. I did.

Q. And you are entirely familiar with the practices of producers in the opening up of new fields and the digging of new wells, are you not?—A. I am.

Q. Is there anything in that situation—I mean in the digging of new wells, the opening up of the new fields—that compels a maximum production, by force of the very circumstances that exist there?—A. There is.

Q. Please tell us about that.—A. Indeed, the necessity for drilling wells after a field has been opened has been the curse of the producing business all through the years. Oil is struck on a property and the adjoining property at once start wells on theirs, and then the fighting of lines as to the sinking of wells, so as to get as much oil as possible from the underground reservoirs, is begun. And, as I say, that has resulted, in almost every section of oil production, in a great overdrilling and an unnecessary cost in the production of the

12765 oil as a whole. That is, a great many more wells are drilled than are really necessary to drain the territory.

Q. Where with respect to the neighboring land does the owner drill his wells? Where with respect to the dividing line between the two properties?—A. There has not to my knowledge been any legal limit as to the drilling near to a line, but in most sections of the producing country there has come to be a common understanding among the producers (certainly producers of the more intelligent class) that

they would not drill within a specified number of hundred feet within each other's lines, say two or three hundred feet.

Q. In Oklahoma it is fixed at 150 feet, is it not?—A. I believe it is.

Q. That is a Government regulation?—A. I believe it is.

Q. The practice therefore has been for the owner of a tract of land to drill one well after another as close to that dividing line as it is possible for him to do, has it not?—A. It has.

Q. What effect does that have upon the neighboring owner of land on the other side of the line?—A. It compels him also to drill a similar number of wells to offset those of his neighbor, or else have his territory drained by his neighbor.

Q. And the result of that is what, with respect to the wells on either side of such dividing line?—A. The result is to greatly increase the cost of production and to take the oil out with undue rapidity.

12766 Q. The result also is that each man drills as many wells as he can on his side of the line, does he not?—A. He does.

Q. And you have on either side of that line then a chain of wells?—A. Yes, sir.

Q. To what extent during the years that you have been connected with the oil industry has the business as a whole been dependent upon the discovery and opening up of new fields? I do not of course expect you to give any percentage extent, but can you give us some general idea of what relation there has been in the development of this business, between that development and the opening up of these newly discovered fields, that is, in connection with this industry as a whole, and what the fate of the business would have been if these new fields had not been discovered?

Mr. Kellogg. That is objected to as calling for rather speculative opinions. Mr. Archbold can state what facts he knows.

Q. Please answer.—A. I should say that through the earlier years of the business, up to a period in the eighties at any rate, there was constant anxiety as to the exhaustion of the fields; and up to a period I should say in the early eighties at any rate that anxiety was at times apparently well-founded. I recall very distinctly a period in the late sixties when it looked as though the exhaustion was imminent, and at that time I had serious apprehension of my own relation to the business. I know that the anxiety in that respect affected the disposition of investors very markedly indeed with reference to engaging in the business. They said, "Well, what assurance have we that

12767 the supply of this article will continue, and that these investments which you are contemplating in a class of construction that is good for no other purpose will continue in value?" We heard that all through the earlier history of the business; and I say to my own criticism in respect to this general question that I could not escape sharing, in all the earlier years of the business, in that feeling myself, and I limited my relation to the business in the way of ownership because of that apprehension; and at the expense of my own sagacity I might say that as late as early in the eighties I sold

Standard Oil trust shares after the trust agreement was entered into, at 75 or 80 cents on the dollar, in the very fear that it might not continue.

Q. The oil industry to-day, in so far as the production of crude is concerned, is essentially a mining business, is it not?—A. It is a mining business.

Q. Is there any way known by which you can measure the extent of the production from a given well when that oil well is opened up?—A. No; there is no way of judging with accuracy in that respect; and I may say that with reference to the chance of finding oil the geologists have really been of very little aid to us as a whole. They often tell us where oil is not, but they do not often tell us where oil exists, where oil is to be found.

Q. There is not any way of sending an expert into an oil well, as an expert may be sent into a silver mine or a gold mine, with a view of estimating the capacity of that well, is there?—A. Oh, none whatever; no, sir.

Q. And the well that is a tremendous gusher to-day may be entirely unproductive to-morrow?—A. It may; and it is true
12768 also that wells producing large quantities of oil have been discovered, and practically nothing developed about them, or nothing of any importance; mere pockets of oil, as it were.

Q. Before the Ohio field or the midcontinent field was opened up, was there any expectation upon the part of the men who were in the petroleum industry or any reason to believe that such fields might be discovered and opened?—A. I think there was no reason to believe it.

Mr. KELLOGG. One moment. That seems to me to be in the realm of speculation.

WITNESS. It was purely a speculative thing. People went into these sections and drilled wells and the oil was finally discovered. I might say, with reference to the great midcontinent field, that the question of there being oil there being raised with me at one time by an associate who heard the matter discussed abroad, I answered him that I would undertake to drink all the oil that was ever produced in that section.

Mr. KELLOGG. You were rather off, weren't you?

WITNESS. I was awfully off; very much off. The production there is 170,000 barrels a day now.

Q. Mr. Archbold, do you remember, in round numbers, what the total yearly consumption in 1882 was of the refineries owned by Standard Oil interests.—A. I haven't it in mind.

Q. Directing your attention to defendants' Exhibit 268, for the purpose of refreshing your recollection, will you state?—A. In 1882 the consumption by Standard interests appears to have been 16,592,593 barrels.

Q. And what was the total consumption in 1906?—
12769 A. 64,958,301.

Q. Do you know what it has been during the past year?—A. I should say it was considerably larger; I have not any exact figures.

Q. About 72 millions, has it not?—A. Yes; I should say it was over 70 millions.

Q. Will you please name the refineries that were owned by Standard Oil interests in the year 1882, that consumed these 16,500,000 barrels of oil annually?—A. They were the Atlantic Refining Company's works at Philadelphia, the works at Pittsburg and at Franklin, Pennsylvania; the refineries at Bayonne, Baltimore, Parkersburg, and Communipaw; the works at Buffalo; the three works at Long Island City; the works at Brooklyn; the works at Cleveland; the works at Rochester and at Olean, N. Y.

Q. Those are the refineries and their locations that were owned by the Standard Oil interests in 1882, are they?—A. Yes.

Q. And those are the refineries which in 1882 consumed 16,500,000 barrels of oil annually?—A. Yes.

Q. What refineries have since been constructed by Standard Oil interests? Name them and the places where located.—A. The Atlantic Refining Company at Marcus Hook, Pennsylvania——

Q. You mean that the Atlantic Refining Company has since 1882 constructed a refinery at Marcus Hook?—A. At Marcus Hook; yes, sir. The Solar Refining Company, with works at Lima, Ohio; the
12770 Standard Oil Company of California, with works near San Francisco; the Standard Oil Company of Indiana, with works at Whiting, Indiana, and at Sugar Creek, Missouri; the Standard Oil Company of Kansas, with works at Neodesha, Kansas.

Q. So that these refineries which you have last named are refineries that have since 1882 been constructed by Standard Oil interests?—A. They are.

Q. Now, since 1882 has the capacity of the refineries that you name as being in existence in 1882, and owned by Standard Oil interests, been increased?—A. They have been very greatly increased and improved in every way. I should say that in almost every case they have been practically rebuilt, reconstructed.

Q. Do you remember in round numbers the value of the refineries and manufacturing properties that went into the Standard Oil trust in 1882?—A. My recollection is that it was about $17,000,000.

(Paper marked "Defendants' Exhibit 269.")

Q. Have you caused to be prepared a list of the refineries owned by Standard Oil interests in 1906, showing their capacity, the value of the real estate, and the value of the improvements thereon?—A. I have.

Q. Is that list shown in defendants' Exhibit 269?—A. It is.

Q. Does that list contain anything but refineries? That is to say, does it contain what are known as purely manufacturing properties?—A. Refineries only.

Q. From a valuation of $17,000,000 in 1882 of refineries and manufacturing properties both, what, in 1906, had the valuation of the refineries alone owned by the Standard Oil interests in-
12771 creased to?—A. To $57,689,560.10.

Q. The valuation of $17,000,000 in 1882 included both the refineries and manufacturing properties, did it not?—A. I think it did.

Q. Now, that increase from $17,000,000, in round numbers, to $57,689,000 was an increase, as I understand your testimony heretofore given, that came from the construction of new refineries and the development of old refineries, did it not?—A. It did.

Q. Of all the refineries named on this list shown in defendant's Exhibit 269, has any refinery been purchased since 1882 by Standard Oil interests, and, if so, which one or which ones?—A. I think the Atlas Works at Buffalo is the only one.

Q. And those works were purchased in 1882, or 1883, were they not?—A. Yes, about that period. I have forgotten the exact date.

Q. Do you remember what was paid by the Standard Oil interests for the Atlas Works at that time? Was it $84,000?—A. My recollection is not distinct. I should say that it was not more than that.

Q. Those works, then, for which you in 1882 paid $84,000, if I am right in that figure, and I think I am, in 1906 had increased to what value?—A. Including the real estate it is $1,466,060.63.

Q. And that increase from $84,000 to the figure that you have just named was brought about by construction and improvement?—A. Yes, sir.

Q. Additions made by Standard Oil interests?—A. Yes, sir.

12772 Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 269.

Mr. KELLOGG. Under this column of "Capacity," that is what you would call the capacity irrespective of the amount it is actually manufacturing?

Mr. ROSENTHAL. That is the capacity and not the consumption.

WITNESS. The capacity, yes; the still capacity, the refining capacity.

Mr. KELLOGG. This "cost less depreciation" is less the depreciation that your books show charged off from year to year?

WITNESS. That has been charged off from year to year, yes.

Q. Mr. Archbold, what has been the policy of the Standard Oil interests with respect to the location of their refineries?—A. It has sought to locate its refineries with reference to the most economical operation possible, in the securing of its supply of crude oil, and in all the supplies which enter into the question of the manufacture, and also as to the distribution of the manufactured products to the consuming trade. It has therefore located in the larger centers of the Middle West and at such other intermediate points as would supply a considerable portion of the domestic territory, and then at the At-

lantic seaboard for the export trade and for the domestic trade of the eastern section.

Q. Can you illustrate that by stating specifically the reasons that controlled in the location and construction of the refinery at Whiting, Indiana?—A. Whiting, Indiana, is a suburb of Chicago, and at Chicago we had the great railroad systems of the country radiating to the West and the Northwest, and indeed to the
12773 Southwest. We had also the water transportation by the Lakes to a very important section. It was considered an advantageous point for a large refinery, and one of the largest in existence is located there.

Q. And what was its relation to the crude oil fields?—A. It was contiguous to the fields of Ohio and Indiana, and has, of course, proven of great advantage also for the Illinois field, which has more recently opened.

Q. Have any of your competitors located a refinery or refineries anywhere in that neighborhood?—A. Not immediately in that neighborhood, but they have located in the oil fields to which I have referred—that is, in the Illinois and the Ohio fields—quite a number of them. Shall I go on and speak of other localities?

Q. If you please; yes.—A. We located, of course, in California with reference to the production of oil there and the distribution of oil to the domestic trade on the Pacific coast, and with a view to extending the export trade from there to the Orient. We located in Kansas with a view to the domestic trade of that section. We located near Kansas City, Missouri, at Sugar Creek, with a view to the trade of the Southwest, as was also true at Alton, near St. Louis.

Q. Kansas City is, and has been for many years, also a great railroad centre?—A. Kansas City is a great railroad centre, and at North Alton (which is practically St. Louis) we have the trade of that great southwestern section radiating from St. Louis.

Q. Now, what about your policy with respect to the de-
12774 velopment of your seaboard refineries?—A. Our seaboard refineries, as I say, are built with reference to the domestic trade of the Atlantic coast line and to the foreign trade and to such trade as can be reached advantageously from here. There is, of course, from the great cities on the Atlantic seaboard a very large domestic trade, not alone in illuminating oil, but in all the by-products, more especially in the light products, naphtha and gasoline, which have come into such very great use during the past several years. We have had no other thought in all this than to accomplish the best possible results in economy in the location and operation of our refineries, with a view to cheapening the product as much as possible.

Q. Can you give us some idea of the development of the Bayonne refinery, which at present is your largest seaboard refinery, comparing that refinery now, if you please, with what it was in 1882?—A. The growth has been something enormous. I could not, without the statistics on the matter, give you the exact figures.

Q. I see that its present yearly capacity is 13,840,435 barrels.—A. Yes, sir.

Q. Was it very much smaller than that in 1882?—A. Oh, only a fraction of that, I should say.

Q. Are there any advantages in connection with domestic trade that accrue to these seaboard refineries? Take the coast trade, if you please.—A. I should say that there was an advantage in a seaboard refinery in the disposition of our by-products, as we term them. The centers of population are very large users especially of the light products, namely, the naphthas and gasolines, which, as I

12775 say, have come into such enormous use during the past several years for gas making and for automobile purposes and for the various uses to which they have been applied.

Q. Is all of the oil which is manufactured in your seaboard refineries conveyed to those refineries by pipe lines?—A. All or substantially all.

Q. You stated yesterday among other things, I think, that some oil was transported to Bayonne by pipe line as far as from the mid-continent field, did you not?—A. Yes, sir. I should say a continuous line of 1,600 or 1,700 miles.

Q. Through which is flowing a solid stream of oil from one end to the other?—A. Yes.

Q. Of course it is broken by pumps?—A. Oh, yes, by relay stations of course.

Q. By relay stations along the line?—A. Oh, yes. There is not one continuous stream.

Q. My associates here question the accuracy of my question.—A. Yes.

Mr. MILBURN. We did not want him to mislead you.

Q. In the development of refinery construction what part has the manufacture of by-products played?—A. It has come to play a very important part indeed. In the early history of the business the distillation was with reference to the illuminating oil alone, or practically so, the by-products being little used for commercial purposes. As the business went on, we began most thorough experiments as to the utilization of the by-products, and in the evolution of the business what were originally known as the by-products have really come to be the most valuable part of the product, namely, the gasoline——

12776 Q. Will you give us for the purposes of this record a list of the chief by-products manufactured from petroleum [handing witness paper]?—A. I do not think I had seen this. It almost scares me. Shall I read these?

Q. If you please.—A. Naphthas, gas oil, fuel oil, paraffine oils, compounded oils, spindle oils, wool stocks, filtered cylinder oils, unfiltered cylinder oils, waxes——

Q. Waxes?—A. Waxes, paraffine waxes, candles. Greases, coke——

Q. What was the last?—A. Coke. It is used quite extensively now. Pitch, road oils——

Q. What is the last?—A. Road oils, oils for putting on the road.

Q. For sprinkling the roads?—A. For sprinkling the roads to prevent dust, used both by railroads and by municipalities, increasingly used. Asphalt and paving residuums.

Q. Asphalt?—A. Asphalt and paving residuum. Roofer's wax, soap stock ——

Q. What do you mean by that?—A. For the making of soap, a large business in the making of soap. You probably use it—I don't know. Cordage oils, acid oil, turpentine substitutes, engine distillates ——

Q. What do you mean by that?—A. You pretty near got me that time. Engine distillates? I take it to be a lubricant, especially for engine use.

Mr. DURAND. For power.

WITNESS. For power. These subdivisions of lubricating
12777 oils are not entirely familiar to me. Petrolatum ——

Q. What is petrolatum?—A. Petrolatum is an inferior vaseline used for many purposes, in the dressing of leather and all that sort of thing, much used. And vaseline—with which you are all familiar. That is the list as here given. And I may say that in the principal subdivisions of this list there has come to be, as I say, a value almost in excess of the illuminating oil itself. These various articles as here enumerated have come to be of vast importance in the world's economy. We send vaseline to the utmost limits of the earth, to the different European governments, who buy it as an army supply, and it has a value that is recognized the world over.

Q. And the sale of these products which you have named, I assume, forms a substantial part of the aggregate sales made by the Standard Oil interests?—A. A very important part.

Q. And also a very substantial part of the total profits made by Standard Oil interests in the conduct of their businesses comes from the sales of these by-products, does it not?—A. It does. I may say that the work of developing these various products has been continuous all through the years and has been a distinctive feature of the Standard Oil method and effort. We have employed the very best expert talent obtainable at all times, both lay and professional, in experimenting for the production of useful articles from the by-products, as a by-product of petroleum. We have brought into our service the best chemical talent obtainable, not only from this country, but from Europe. Every considerable refinery has been
12778 provided with its laboratory and its room for experimenting, and, as I say, these experiments in the distillation of petroleum and the chemical talent together have been constantly at work on these problems.

Q. They have been discovered and improved throughout all these years, have they?—A. They have. They have made the business.

Q. Take it in the earlier years, in the seventies; did naphtha and gasoline, which are at present two of your principal by-products, cut much of a figure in the industry?—A. Very little, indeed. They

were considered a good deal of a nuisance in the process of distillation. I remember in the works with which I was connected as a partner in the early days at Titusville, of going early in the morning to the works and seeing the naphtha which had been distilled the day before or during the night being run into the creek to get rid of it, and it was not infrequent, even at a much later period—even at the seaboard here—to burn the naphtha as fuel and to burn the tar as fuel, because we had not come to the point of realizing their value in the production of these further articles which I have enumerated.

Q. This gasoline and naphtha, which in those early days was disposed of as you have just told us, compares in price per gallon now how with refined oil, generally speaking?—A. It is very much higher—three or four times higher. The lighter grades of gasoline bring three or four times the price per gallon that illuminating oil does now. Of course, the making of illuminating gas from naphtha was one of the first great uses to which it was put, and we gave every encouragement to the development of gas-making from
12779 naphtha in the earlier stages of that industry, taking interest in the question as individuals and doing everything we could to promote its use and develop its possible use, its utilization.

Q. Have many of these by-products, which have been discovered by experts in your employ, been patented, or are you not familiar with that?—A. I think some few of them have been patented. I think there have been patents, but we have not relied very much on the patent question in the progress of our business.

Mr. ROSENTHAL. If the examiner pleases, I am down now with Mr. Archbold to a consideration of the Vilas, Keith & Chester trust agreement and the trust agreement of 1882, which brings us into an entirely new field of examination, and inasmuch as when we adjourn we are going to adjourn until next Monday, I suggest, if agreeable, that we adjourn now.

The EXAMINER. We will adjourn until next Monday morning at 11 o'clock.

12780 ROOM 508 CUSTOM-HOUSE, NEW YORK CITY,
Monday, November 30, 1908—11 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg. On behalf of the defendants, Mr. John G. Milburn, Mr. Moritz Rosenthal, Mr. John S. Miller, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. W. Cleveland Runyon.

JOHN D. ARCHBOLD recalled and his direct examination resumed, as follows:

By Mr. ROSENTHAL:

Q. Mr. Archbold, I direct your attention first to the Vilas, Keith & Chester agreement of April, 1879. You remember that agreement, do you?—A. I do.

Q. There are certain individuals named therein whose names are also signed to that agreement [handing witness paper]. Will you please state what their relations were to the Standard Oil Company of Ohio?—A. I understand this list of names to be identical with the then shareholders of the Standard Oil Company of Ohio.

Q. All of the persons named in the body of the Vilas, Keith & Chester agreement were all stockholders of the Standard Oil Company of Ohio and were all of the then stockholders of the Standard Oil Company of Ohio?—A. I so understand it.

12781 Q. Mr. Archbold, I notice that in the body of the Vilas, Keith & Chester agreement there is a recital that certain properties were held by different individuals for the benefit of the stockholders of the Standard Oil Company of Ohio. Do you understand that the properties therein named are the properties that are described in the Vilas, Keith & Chester agreement [handing witness paper]?

Mr. KELLOGG. That is objected to. The agreement is the best evidence of that.

A. I do.

Q. Do you remember who took title to any properties that were acquired by Standard Oil interests between 1879 and 1882; that is, between the date of the Vilas, Keith & Chester trust agreement and the trust agreement of 1882?—A. My recollection is that title to such properties went to Vilas, Keith & Chester as trustees.

Q. Do you now remember, Mr. Archbold, why the Vilas, Keith & Chester trust agreement was made?—A. It seemed it was a simple method of holding the interests that had been acquired for this common ownership.

Q. The properties that had been acquired by this common ownership had been theretofore held how?—A. Held in various names, by various individuals.

Q. Directing your attention now to the trust agreement of 1882, who were the signers of that agreement?

Mr. KELLOGG. That is objected to because it appears on the face of the agreement. You may answer.

12782 A. I should say that all the shareholders of the Standard Oil Company of Ohio and all the beneficiaries under the Vilas, Keith & Chester trust paper.

Q. And Vilas, Keith & Chester, the trustees?—A. And Vilas, Keith & Chester as trustees, yes.

Q. So that the signers of the trust agreement of 1882, with the exception of Vilas, Keith & Chester, were identical with the then stockholders of the Standard Oil Company of Ohio?—A. They were.

Q. How many trust certificates, if you remember, were issued to each stockholder of the Standard Oil Company of Ohio for each certificate of stock of the Standard Oil Company of Ohio?—A. Twenty for one.

Q. Do you know why that was? I limit my question now to the simple query as to why twenty for one was issued.—A. Because it

was found that that represented the then value of the properties as a whole—that sum.

Q. The capital stock of the Standard Oil Company of Ohio at that time was what?—A. $3,500,000.

Q. And, as I understand you, the value of the properties that at the time of the making of the trust agreement were held for the benefit of the stockholders of the Standard Oil Company of Ohio was 70 millions?—A. 70 millions.

Q. And that being twenty times three and a half millions,
12783 twenty trust certificates were thereupon issued for each share of stock of the Standard Oil Company of Ohio?—A. There were, and for the Vilas, Keith & Chester holdings.

Q. Yes, sir. Do you remember what the value of the properties so held in 1882 was, as inventoried?—A. I do.

Q. Will you please give us your recollection of that? What was the total value?—A. The book value or the real value?

Q. Well, give us both, if you remember?—A. My recollection is that the book value showed about 56 millions and that the inventoried value, fairly estimated as we could do it at that time, indicated a value of just about 70 millions.

Q. Of the 70 millions, do you remember about how much was represented by the pipe line investments?—A. My recollection is that the pipe line investments aggregated about 30 millions.

12784 Q. I think you stated on last Wednesday that the refinery and manufacturing interests at that time aggregated about $17,000,000, did you not?—A. About $17,000,000.

Q. What was the balance made up of?—A. The remaining $23,000,000 was made up of general merchandise and cash and crude oil; probably most largely crude oil.

Q. Take the companies named in the trust agreement of 1882, which were acquired by Standard Oil interests subsequent to the year 1875; do you remember, generally speaking, whether those were acquired for cash or otherwise?—A. I should say that, generally speaking, they were acquired for cash.

Mr. KELLOGG. After what year was that?

Mr. ROSENTHAL. After 1875.

Q. Why was the trust agreement of 1882 made?—A. It was made as a simple and effective form of holding the interests which had been theretofore acquired. We were advised by counsel that neither the Standard Oil Company of Ohio nor indeed any other single corporation could successfully or safely, perhaps, hold them. They were varied in nature; the property was widespread, located in many different States, the laws of which were in many cases restrictive as to the rights of corporations, and the trusteeship was suggested as a simple method of bringing together those properties so as to provide for an evidence of ownership, a token of ownership that would be marketable, that would give the interests a market value, a basis for trading, and that would enable an administrative oversight in the simplest possible way.

Q. Theretofore—that is, prior to 1882—how, if you please,
12785 was an individual's holdings in these interests which were held in common evidenced?—A. There was no general token or evidence of ownership prior to 1882, and that was a very controlling feature of the necessity that led to the making of the trust agreement. Individuals in interest, through joint ownership in the Standard Oil Company of Ohio and in the Vilas, Keith & Chester holdings, wanted something, as I say, that would evidence their ownership in the property as a whole, and that could be marketed.

Q. Under the trust agreement that evidence of ownership was what?—A. Was a certificate of the trustees that the holder was entitled to so many shares of ownership in the trust properties. I should say that prior to 1882 there had been no well-defined idea as to how the properties in common ownership would eventually be held. They had gone on in their individual capacities in the operation of their various businesses, and there had, as I say, been no plan determined upon as to a final method of holding the properties.

Q. One of the companies named in the first division of the trust agreement of 1882 is the Acme Oil Company of Pennsylvania. When organized, what was the capital stock and the number of shares of that corporation, and when was it organized?—A. It was organized in 1879. The capital stock was $300,000, consisting of 3,000 shares.

Q. And by whom was the Acme Oil Company of Pennsylvania organized?—A. My recollection would be that it was organized by William Rockefeller, Charles Pratt & Company——

Q. I am talking now about the Acme Oil Company of Penn-
12786 sylvania.—A. Oh, the Acme Oil Company of Pennsylvania. I do not remember who the original directors or organizers were of the Acme Oil Company of Pennsylvania, other than myself.

Q. By what interests was it organized, and for what purpose?—A. It was organized by the Acme Oil Company of New York interests.

Q. And why?—A. To take over the properties that the Acme Oil Company of New York had theretofore held, located in Pennsylvania—had held in the names of individuals probably, or in trustees in some way.

Q. After the Acme Oil Company of Pennsylvania was so organized by Acme Oil Company of New York interests, were all of the Pennsylvania properties of the Acme Oil Company of New York transferred to the Acme Oil Company of Pennsylvania?—A. They were.

Q. What were the chief properties that at the time of the formation of the trust were owned by the Acme Oil Company of Pennsylvania?—A. They were refineries located at Titusville, Pennsylvania.

Q. What subsequently became of those refineries?—A. They were subsequently transferred to the Atlantic Refining Company of Pennsylvania.

Q. When?—A. In 1892.

Q. And what became of the Acme Oil Company of Pennsylvania?—A. The properties of the Acme Oil Company at Titusville were destroyed by fire almost entirely, and they finally ceased doing business there.

Q. And the company liquidated?—A. And the company was liquidated.

12787 Q. Will you turn to the second page of your memorandum. I direct your attention next to Bush & Company (Limited), one of the companies named in the first division of the trust agreement. When was that company organized?—A. In April, 1880.

Q. And a capital stock of how much, and how many shares?—A. $15,000. One hundred and fifty shares.

Q. By whom was the capital stock owned at the time of the formation of the trust agreement in 1882? All by the Standard Oil interests?—A. I judge it was; yes.

Q. What was that business?—A. Their business was the compounding and marketing of lubricating oils.

Q. Located where?—A. Philadelphia.

Q. What became of that company?—A. The company sold its property to the Acme Oil Company in 1882 and was liquidated.

Q. The Acme Oil Company of Pennsylvania?—A. Yes. The Bush & Company business was liquidated.

Q. Sold its property to the Acme Oil Company?—A. Yes; to the Acme Oil Company of Pennsylvania.

Q. That was a small compounding and marketing business in Philadelphia, wasn't it?—A. Yes; a small compounding and marketing business.

Q. The Elizabethport Acid Works, also one of the companies named in the first division of the trust agreement—by whom was that organized, and when?—A. It was organized by Standard Oil interests, in 1879.

Q. With a capital stock of how much?—A. $28,000.

Q. And how many shares?—A. Two hundred and eighty shares.

Q. Where were those works, and what were they?—A. The

12788 works were at Elizabethport, New Jersey, and their purpose was for the restoring of spent acid.

Q. What does that mean?—A. It means that they took the sludge acid—the acid after it had been once used in the treatment of oil—and revived it by a chemical process.

Q. Acid is used, is it, in the process of refining?—A. Yes, sir.

Q. And these works—the Elizabethport Acid Works—were built by the Standard Oil interests?—A. They were; yes.

Q. For the purpose of utilizing the spent acid, were they?—A. For the purpose of restoring the acid.

Q. What became of that company?—A. The works were abandoned and sold, prior to 1890; the company liquidated and ceased business.

Q. Do you remember why they were sold? Was the business a success, or otherwise?—A. I think there came a time when we could make better disposition of the sludge acid than to restore it.

Q. The next company named in the trust agreement, not heretofore covered by Mr. Rockefeller, is Paine, Ablett & Company, named, I think, on the first page of your memorandum. When was that

company organized, by whom, and for what purpose? What was its capital stock and the number of shares?—A. It was organized as a limited partnership in 1878 by Standard Oil interests, under the laws of Pennsylvania. Its capital stock was $50,000, consisting of 500 shares.

Q. What properties did it acquire on its organization?—A. It acquired the Paine & Ablett refinery at Smith's Ferry,
12789 Pennsylvania, and the Excelsior refinery at Freedom, Pennsylvania.

Q. Those properties had theretofore been held by whom?—A. The firm of Paine, Ablett & Company, as to their part. I think the Excelsior refinery had not been owned by them; it was acquired subsequently.

Q. And what has become of that company?—A. The company liquidated in 1887, having transferred its property to the Standard Oil Company of Pittsburg, and later the Standard Oil Company of Pittsburg transferred it to the Atlantic Refining Company. I have not the date of that transfer.

Q. What has become of the Paine & Ablett refinery at Smith's Ferry and the Excelsior refinery at Freedom, Pennsylvania? Are they still operated?—A. No; they were finally dismantled and consolidated with larger works, probably at Pittsburg.

Q. The Standard Oil Company of Ohio and the Standard Oil Company of Pittsburg, next named, were testified to by Mr. Rockefeller. The next company named in the first division is Smith's Ferry Oil Transportation Company. What was the capital stock and number of shares of that company?—A. The capital stock was $20,000, consisting of two hundred shares.

Q. That is, at the time of the organization of the trust. When had that company first been organized?—A. In May, 1872.

Q. And when did Standard Oil interests acquire it?—A. In 1878.

12790 Q. Through what purchase?—A. Along with the works of Paine, Ablett & Co.

Q. It had theretofore been owned by Paine, Ablett & Co.?—A. It had.

Q. What was Smith's Ferry Oil Transportation Company?—A. It was a small gathering pipe line, with some tankage, near Smith's Ferry, Pennsylvania.

Q. What afterwards became of the property?—A. They were transferred to the National Transit Company and liquidated—ceased business.

Q. That is, the company?—A. The company ceased business.

Q. The next company is the Solar Oil Company, Limited. What was its capital stock and shares at the time of the organization of the trust in 1882?—A. $100,000, consisting of one thousand shares.

Q. And when had Standard Oil interests acquired that stock?—A. In 1880.

Q. How much of it?—A. All of it.

Q. What was the property held by the Solar Oil Company, Limited?—A. It was a small refinery at Williamsport, Pennsylvania.

Q. What became of that?—A. It was transferred to the Atlantic Refining Company, and the company was liquidated and ceased doing business.

Q. By whom is the property now owned?—A. It is now owned by the Atlantic Refining Company.

Q. The Sone & Fleming Manufacturing Company (Limited), next named, was covered by Mr. Rockefeller. Now, going back a
12791 little in connection with these companies named in the first division, is the Atlantic Refining Company of Philadelphia still in operation and doing business?—A. It is.

Q. What are its chief properties now? Do you have them in mind independent of this memorandum?—A. Yes. Its chief properties are at Philadelphia, Pittsburg, and Franklin, Pennsylvania; that is, manufacturing properties.

Q. And in 1882 the chief properties owned by the Atlantic Refining Company were what?—A. Were at Philadelphia.

Q. What works were they?—A. The Point Breeze Works, Philadelphia.

Q. The works known as the——A. Philadelphia and Atlantic.

Q. Turning to the Camden Consolidated Oil Company, the organization of which was testified to by Mr. Rockefeller, do you remember what the chief properties owned by the Camden Consolidated Oil Company were at the time of the formation of the trust?—A. I do.

Q. What were they?—A. They were the Camden & Company works and the Pool refinery at Parkersburg.

Q. Known as the Parkersburg refinery generally?—A. Yes.

Q. And what else?—A. And the Canton works at Baltimore.

Q. What were the Canton works at Baltimore?—A. They were a refinery located at Canton, in a suburb of Baltimore.

Q. Are they still in existence?—A. They are still in existence; yes.

Q. What subsequently became of the properties of the Camden Consolidated Oil Company?—A. They were in 1892 transferred to the Standard Oil Company of New Jersey, and that company was liquidated and ceased doing business.

Q. And those properties are now known as what?—A. Known as the Parkersburg works of the Standard Oil Company of New Jersey.

Q. That is, the works at Parkersburg are known as the Parkersburg works?—A. Yes. The other is known as the Canton works at Baltimore.

12792 Q. Are the Canton works at Baltimore still known as the Canton works of the Standard Oil Company of New Jersey?—A. I think they are.

Q. What was the principal property owned by the Imperial Refining Company, Limited, at the time of the formation of the trust, Mr. Archbold?—A. A refinery near Oil City, Pennsylvania.

Q. What was it known as?—A. Known as the Imperial refinery.

Q. That constituted the chief properties of that company?—A. Yes.

Q. And what became of that property and what became of the Imperial Refining Company, Limited?—A. The properties were transferred in 1892 to the Atlantic Refining Company and the company—that is, the Imperial Company—was liquidated and ceased doing business.

Q. What has become of the Imperial refinery?—A. It was discontinued in 1900 or 1901 and the property was sold.

Q. Do you remember the chief works of Charles Pratt & Company at the time of the formation of the trust in 1882?—A. I do.

Q. What were they?—A. They were works in Brookiyn known as the Queens County refinery.

Q. The Pratt works in Brooklyn and the Queens County refinery in Queens County?—A. Yes.

Q. They constituted the works of Charles Pratt & Company, did they?—A. Of Charles Pratt & Company.

Q. And what subsequently became of the Pratt works and the Queens County refinery of Charles Pratt & Company?—
12793 A. They were transferred in 1892 to Standard Oil interests owned by the Standard Oil Company of New York.

Q. And they are now owned by the Standard Oil Company of New York, are they?—A. They are now owned and operated by the Standard Oil Company of New York.

Q. And have been since 1892?—A. Have been since 1892.

Q. They are operated as what—as a department of the Standard Oil Company of New York?—A. The Standard Oil Company of New York, Pratt works.

Q. The Standard Oil Company of Pittsburg, also named as one of the companies in division 1 of the trust agreement, owned what properties in 1882 at the time of the formation of the trust?—A. They owned a refinery at Pittsburg.

Q. And what became of that property?—A. The property was transferred in 1892 to the Atlantic Refining Company.

Q. And what became of the company?—A. The Standard Oil Company of Pittsburg was liquidated and ceased business.

Q. At the time of the transfer of its properties to the Atlantic Refining Company?—A. To the Atlantic Refining Company.

Q. And that refinery at Pittsburg which in 1882 was owned by the Standard Oil Company of Pittsburg is now owned by what company?—A. By the Atlantic Refining Company.

Q. What were the chief properties owned at the time of the formation of the trust by the Sone & Fleming Manufacturing Company (Limited)?—A. A refinery on Newton Creek known as the Brooklyn, known as the Sone & Fleming works.

Q. What became of that property?—A. The works were
12794 transferred in 1892 to the Standard Oil Company of New York.

Q. And are now owned by what company?—A. By the Standard Oil Company of New York, and known as the Sone & Fleming or Kings County works.

Q. Of the Standard Oil Company of New York?—A. Of the Standard Oil Company of New York.

Q. What became of the company?—A. The company was liquidated at the time of the transfer to the Standard Oil Company of New York and ceased doing business.

Q. Do you remember the chief properties owned by the Standard Oil Company of Ohio at the time of the formation of the trust?—A. Yes; I had general knowledge of them.

Q. Will you describe those principal properties so owned by the Standard of Ohio? (Page 3 of your memorandum, Mr. Archbold.)—A. Refineries at Cleveland; works at Bayonne, conveyed to it by the Producers' Consolidated Land and Petroleum Company in 1877; Eagle works at Communipaw under construction.

Q. What were the Eagle works at Communipaw which in 1882 were under construction? Refineries?—A. A refinery.

Q. And what were the works at Bayonne?—A. A refinery.

Q. And have you now refineries at both of those places?—A. We have.

Q. These same refineries?—A. Well, the same location, but very different refineries.

Q. Different in what respect?—A. In that they have been enormously enlarged and improved.

Q. And how about the refineries at Cleveland: are they the
12795 same now as they were in 1882?—A. The same general location, but they are very different factories, of course.

Q. In what respect?—A. In respect to their having been greatly improved and enlarged, made more efficient.

Q. What other?—A. Long Island works.

Q. What were they?—A. The Long Island works were a refinery at Long Island City.

Q. What else?—A. Empire yards and 64th and 65th street yards in New York City; all conveyed to it in 1880 by the Long Island Refining Company.

Q. What were the Empire yards?—A. I should say they were receiving yards—yards for the storage and handling of oil, as well as the 64th and 65th street yards.

Q. What else was then owned by the Standard of Ohio?—A. The Brooklyn works, conveyed to it in 1880 by the Long Island Refining Company.

Q. What were the Brooklyn works?—A. The Brooklyn works were a refinery in Brooklyn. Tank cars; marketing stations in northern Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Rocky Mountain States, and California.

Q. Now, those were the chief properties that in 1882 were owned by the Standard Oil Company of Ohio. What has become of those properties since then? Take first the Bayonne works and the Eagle

works?—A. The Bayonne works and the Eagle works were conveyed in 1882 to the Standard Oil Company of New Jersey.

Q. Do you remember when the Standard Oil Company of
12796 New Jersey was organized? Was it in 1882?—A. I think it was in 1882.

Q. Yes, sir.—A. The Eagle works were afterwards conveyed to the Eagle Oil Company in 1883 and reconveyed to the Standard Oil Company of New Jersey in 1892.

Q. The Long Island works?—A. The Long Island works.

Q. And the Empire yards?—A. And the Empire yards, 64th and 65th street yards and Brooklyn works were conveyed to the Standard Oil Company of New York in 1882.

Q. Do you remember when the Standard Oil Company of New York was organized? Was it in 1882?—A. I think it was prior to that. I am not sure.

Q. 1882, I think. We are both agreed on that.—A. What is it?

Q. Both sides are agreed that the date was 1882.—A. Well, 1882. Tank cars were transferred to the Union Tank Line in 1891. Marketing stations in Wisconsin and Illinois were transferred in 1883 to P. C. Hanford Oil Company, and by P. C. Hanford Oil Company to the Standard Oil Company of Illinois, and by the Standard Oil Company of Illinois to the Standard Oil Company of Indiana in 1892.

Q. Was the P. C. Hanford Oil Company owned by Standard Oil interests?—A. It was.

Q. What became of the marketing stations in Minnesota?—A. The marketing stations in Minnesota transferred to the Standard Oil Company of Minnesota in 1886, and by the Standard Oil Company of Minnesota to the Standard Oil Company of Indiana in 1892.

Q. And the marketing stations in the Rocky Mountain
12797 States?—A. Marketing stations in the Rocky Mountain States were transferred to the Continental Oil Company in 1884.

Q. Go right ahead, Mr. Archbold.—A. Marketing stations in Pacific States transferred to the Standard Oil Company of Iowa in 1885, and transferred to the Standard Oil Company of California in 1906.

Q. Have you also information as to how those properties are now owned?—A. I have.

Q. If so, please state it.—A. The Bayonne and Eagle Works are owned by the Standard Oil Company of New Jersey; Cleveland Works owned by Standard Oil Company of Ohio; the Long Island Works and Empire Yard are owned by the Standard Oil Company of New York; Brooklyn Works owned by the Standard Oil Company of New York, but no longer in operation. Tank cars now owned by Union Tank Line. Marketing stations in Indiana, Wisconsin, Illinois, Michigan, and Minnesota now owned by the Standard Oil Company of Indiana. Marketing stations in Rocky Mountain States now owned by Continental Oil Company. Marketing stations in Pacific States now owned by the Standard Oil Company of California.

Q. You have now covered all of the companies named in the first division of the trust agreement of 1882 that have not heretofore been

covered by Mr. Rockefeller. I direct your attention now to the companies named in the third division of the trust agreement of 1882. The first company there named is the American Lubricating Oil Company. At the time of the organization of the trust what
12798 was its capital stock and shares?—A. Its capital stock was $200,000, divided into 2,000 shares.

Q. How much of the stock in 1882 was owned by the parties to the trust agreement?—A. $177,500 of the stock; 1,775 shares.

Q. And when had that been acquired by S. O. interests, and when, if you know, had the American Lubricating Oil Company been organized?—A. It was organized in 1878 by Standard Oil interests and others.

Q. At the time of its organization what did that company acquire?—A. It purchased the properties of the American Lubricating Oil Company and the Mica Steam Packing & Axle Grease Company of Cleveland, Ohio.

Q. And its chief property owned at the time of the formation of the trust was what?—A. Were those properties at Cleveland.

Q. Refineries at Cleveland?—A. Refineries, so called.

12799 Q. All but 225 shares of the 2,000 shares of that company were owned by the parties to the trust agreement in 1882. When were the 225 shares acquired and by whom?—A. In 1882, by the same parties.

Q. That is, the minority interests were acquired by the trustees of the Standard Oil trust in 1882?—A. They were.

Q. What subsequently became of the property of that company?—A. It was transferred in 1888 to the Standard Oil Company of Ohio, and the company was liquidated and ceased doing business.

Q. And the property is now owned by whom?—A. The Standard Oil Company of Ohio.

Q. The Baltimore United Oil Company, the second company named in the third division, what was its capital stock in 1882?—A. $600,000, consisting of 6,000 shares.

Q. How much of that was owned by the parties to the trust agreement?—A. $502,400, or 5,024 shares.

Q. By whom had the Baltimore United Oil Company been organized, and when?—A. That had been organized by Standard Oil interests in 1877.

Q. At the time of its organization it acquired what properties?—A. Properties at Baltimore.

Q. Refineries at Baltimore?—A. Refineries.

Q. And in 1882 the chief property held by that company was what?—A. Baltimore refineries.

Q. When were the 976 shares subsequently acquired, and by whom?—A. They were acquired by the Standard Oil interests in 1889.

Q. That would be the Standard Oil trustees?—A. The
12800 Standard Oil trustees.

Q. So that from 1889 on all of the stock of the Baltimore United Oil Company was held by the Standard Oil trustees?—A. It was.

Q. And of the American Lubricating Oil Company all held by the Standard Oil trustees, from 1882?—A. It was.

Q. What subsequently became of the properties of the Baltimore United Oil Company?—A. They were transferred in 1892 to the Standard Oil Company of New Jersey, and the company was liquidated and ceased doing business.

Q. That property is therefore now owned by what company?—A. It is now owned by the Standard Oil Company of New Jersey and is operated by them.

Q. What was the capital stock of the Beacon Oil Company in 1882?—A. $100,000.

Q. The number of shares?—A. 1,000 shares.

Q. How much of that was owned by the Standard Oil interests, or by the parties to the trust agreement, at the time of the formation of the trust?—A. $70,000, or 700 shares.

Q. When was the Beacon Oil Company organized, and by whom?—A. It was organized by Standard Oil interests in 1879.

Q. What properties did it acquire?—A. It purchased the properties of Kidder, Vaughn & Company of Boston.

Q. The properties of Kidder, Vaughn & Company, Boston, had theretofore been owned by whom?—A. By the Maverick Oil Company.

Q. What were those properties?—A. They were a small refinery and oil yard.

Q. Where?—A. At Boston.

12801 Q. And when were the other 300 shares of the Beacon Oil Company acquired, if at all, by the Standard Oil trustees?—A. In 1883.

Q. So that from 1883 on all of the stock and all of the properties of the Beacon Oil Company were owned by the Standard Oil trustees?—A. They were.

Q. What subsequently became of that property?—A. In 1890 it was transferred to the Maverick Oil Company; the company was liquidated and ceased its business.

Q. And who now owns the property which in 1882 was held and owned by the Beacon Oil Company?—A. It is now owned by the Standard Oil Company of New York——

Q. As oil yards?—A.——and operated as an oil yard.

Q. The Bush & Denslow Manufacturing Company had what capital stock in 1882?—A. $300,000.

Q. And how many shares?—A. 3,000 shares.

Q. How much of that stock was owned by the parties to the trust agreement at the time of the formation of the trust?—A. $150,000—1,500 shares.

Q. That is just one-half of that stock?—A. Just one-half; yes.

Q. And when was that company organized?—A. It was organized in 1879.

Q. When were the 1,500 shares purchased by the Standard Oil interests? Look under your heading of "When organized."—A. In 1880; that is, 1,500 shares.

Q. That was my question—the first 1,500 shares.—A. The first 1,500 shares were purchased, yes, in 1880. I did not understand you.

12802 Q. What was the chief property owned at the time of the formation of the trust?—A. A refinery at Brooklyn.

Q. What subsequently became of that property? A. The stock was transferred in 1892 to the Standard Oil Company of New Jersey, which purchased the outstanding 1,500 shares of stock in May, 1892.

Q. And thereafter the property was sold to whom?—A. The property was sold to the Standard Oil Company of New York in 1892, and the Bush & Denslow Manufacturing Company was liquidated and ceased business.

Q. What became of the refinery?—A. The refinery construction was removed to and consolidated with the Bayonne refinery in 1895, and the land was sold.

Q. So that in 1882 the Standard Oil interests owned 1,500 of the 3,000 shares of the Bush & Denslow Manufacturing Company, and in 1892 acquired the other 1,500 shares?—A. It did.

Q. The next company named, the Central Refining Company of Pittsburg, had what capital stock in 1882, and how many shares?—A. $255,300 of capital stock, consisting of 2,553 shares.

Q. How much of that was owned by parties to the trust agreement made in 1882?—A. $226,800, or 2,268 shares.

Q. When was that purchased by Standard Oil interests?—A. In 1876.

Q. The company having been organized when?—A. I have not the exact date—prior to 1873.

Q. What did that property consist of?—A. A refinery in Pittsburg, Pennsylvania.

Q. And the balance of the stock, the minority holding,
12803 was acquired by the Standard Oil trustees when?—A. In 1882.

Q. What subsequently became of the property?—A. The properties were transferred in 1889 to the Standard Oil Company of Pittsburg, and the company was liquidated and ceased business.

Q. What has since become of those works?—A. The works were consolidated with the Standard Oil Company of Pittsburg works in 1889.

Q. The Chesebrough Manufacturing Company had how much capital stock in 1882?—A. $500,000.

Q. How many shares?—A. 5,000 shares.

Q. How much of that was owned by the parties to the trust agreement?—A. $254,900 or 2,549 shares.

Q. When was the Chesebrough Manufacturing Company organized?—A. In 1880.

Q. And when were the 2,549 shares, the capital stock of that company, purchased by Standard Oil interests?—A. In 1881.

Q. What did its chief properties consist of at the time of the formation of the trust?—A. Vaseline works.

Q. Were any shares subsequently acquired by Standard Oil interests?—A. There were.

Q. When?—A. 112 shares in 1885 and 120 shares in 1890.

Q. And that property is still operated by what company?—A. The Chesebrough Manufacturing Company.

Q. Is the business of the Chesebrough Manufacturing Company exclusively the manufacture of vaseline?—A. Vaseline and the so-called vaseline products. There is a large variety of them.

Q. They all bring by-products of petroleum?—A. Yes sir.

Q. The next company named, Chess, Carley & Company,
12804 had a capital stock of how much, and how many shares?—A. $600,000, consisting of 6,000 shares.

Q. How much of that was owned by the parties to the trust agreement in 1882?—A. $300,000—3,000 shares.

Q. Just one-half?—A. Just one-half.

Q. When was the corporation, Chess, Carley & Company, organized, and by whom?—A. It was organized in 1881 by Standard Oil interests and others.

Q. And for what purpose?—A. To take over the Chess, Carley & Company business, a copartnership, one-half of which Standard Oil interests had purchased in 1873.

Q. What were the chief properties owned by Chess, Carley & Company at the time of the formation of the trust?—A. A marketing plant at Louisville, Ky.; marketing business, stations, etc., in Kentucky, Tennessee, Louisiana, Alabama, Mississippi, western North Carolina, western South Carolina, Georgia, and Florida. They also owned 20 per cent of the stock of the Waters-Pierce Oil Company.

Q. Which they had acquired when?—A. May 1, 1878.

Q. When was the balance of the stock of Chess, Carley & Company acquired by the Standard Oil trustees?—A. In 1885 and 1886.

Q. What became thereafter of the properties of that company?—A. They were transferred to the Standard Oil Company of Kentucky.

Q. In what year?—A. In 1886.

Q. What became of the 20 per cent of the stock of the Waters-Pierce Oil Company?—A. It was distributed as a dividend to the stockholders in 1885.

Q. And all of the old Chess, Carley & Company property is now owned by what Standard Oil Company?—A. The Standard Oil Company of Kentucky, I should say.

12805 Q. Take the next company, please—the Consolidated Tank Line Company.—A. Yes, sir.

Q. The capital stock and shares were what?—A. $125,000, consisting of 1,250 shares.

Q. How much of it owned by the parties to the trust agreement in 1882?—A. $62,500, or 625 shares.

Q. When was that company organized, by whom, and for what purpose?—A. It was organized in 1878 by Standard Oil interests and Alexander McDonald to do a marketing business.

Q. And its chief properties in 1882 were what?—A. Consisted of stations and appliances for marketing business in various States.

Q. What subsequently became of the minority interests? Were they acquired by the Standard Oil trustees?—A. Yes. The stock was increased at divers times to 10,000 shares. On April 12, 1890, Standard Oil trustees held 5,700 shares, and purchased remaining 4,300 on that date.

Q. To whom were those properties transferred?—A. To the Standard Oil Company of Kentucky, in 1892.

Q. What became of the company?—A. Liquidated and ceased doing business.

Q. And where are its present properties and by whom owned?—A. Its present properties are in southern Ohio, owned by Standard Oil Company of Ohio.

Q. What are they? Marketing stations?—A. Marketing stations. Marketing stations in Indiana, Illinois, Iowa, and Missouri, by Standard Oil Company of Indiana; marketing stations in Nebraska, by Standard Oil Company of Nebraska; marketing stations in Denver and Santa Fe, by Continental Oil Company.

12806 Q. The Inland Oil Company next, please; its capital stock and shares.—A. $50,000, 500 shares.

Q. How much owned by the parties to the trust agreement?—A. $25,000; 250 shares.

Q. And when was that company organized, by whom, and for what purpose?—A. It was organized by Standard Oil interests and others, about 1880, to carry on a lubricating and marketing business.

Q. What properties did it have in 1882?—A. It had stations in Cincinnati and elsewhere.

Q. Did the Standard Oil trustees thereafter acquire the other 250 shares?—A. They did, in 1891.

Q. What became of the properties later on?—A. The property was sold to the Standard Oil Company of Kentucky; the company was liquidated in 1901, ceased doing business.

Q. So that the properties of the old Inland Oil Company are now owned by what company?—A. The Standard Oil Company of Kentucky.

Q. The Keystone Refining Company, its capital stock and its shares?—A. Capital stock $75,000, 750 shares.

Q. How much owned by parties to the trust agreement in 1882?—A. $52,500, 525 shares.

Q. By whom had the Keystone Refining Company been organized and when?—A. It was organized in 1876 by Standard Oil interests.

Q. What properties did it purchase at the time of its organization?—A. Purchased the refinery of Pickering, Chambers & Company, at Titusville, Pennsylvania.

12807 Q. So that its chief property in 1882 was what?—A. Was a refinery at Titusville, Pennsylvania.

Q. When were the minority interests of that company purchased by the Standard Oil trustees?—A. In 1882.

Q. And how long was the refinery operated, and what became of it?—A. It was operated until 1883, when it was burned. The company was liquidated and ceased doing business.

Q. The capital stock and shares of the Maverick Oil Company?—A. $100,000, 1,000 shares.

Q. How much owned by parties to the trust agreement?—A. $70,000, 700 shares.

Q. By whom had the Maverick Oil Company been organized, and when?—A. Organized in 1877 by Standard Oil interests and others.

Q. And what works were purchased by the company after its organization?—A. Purchased the Maverick Oil Company works at Boston, and the assets and good will of the firm of Carter, Windsor & Company.

Q. What were its chief properties in 1882?—A. A small refinery and oil; that is, in Boston.

Q. When were the other 300 shares purchased by the Standard Oil trustees?—A. In 1883.

Q. And what thereafter became of the property?—A. The property was transferred to the Standard Oil Company, in New York.

Q. When?—A. In 1882.

Q. What became of the company?—A. The company was liquidated and ceased doing business.

Q. I think you have heretofore told us generally of the organization of the National Transit Company, that it was organ-

12808 ized in 1881 by Standard Oil interests and took over properties of the United Pipe Line Company and the American Transfer Company. Is that correct?—A. That is correct.

Q. What was its capital stock in 1882, at the time of the formation of the trust?—A. $29,400,000.

Q. Represented by how many shares?—A. 588,000.

Q. How much of that was owned by parties to the trust agreement at the time of the formation of the trust?—A. $25,150,000, or 503,000 shares.

Q. At the time of its organization, in 1881, the National Transit Company purchased what properties?—A. It purchased 94 per cent of the stock of the United Pipe Lines.

Q. Which had theretofore been held by Standard Oil interests?—A. Which had theretofore been held by Standard Oil interests.

Q. What else?—A. Properties of the American Transfer Company, both of which had theretofore been owned by Standard Oil interests.

Q. What else?—A. Also the Cleveland Pipe Line, from stockholders of the Standard Oil Company of Ohio; also stock of the National Storage Company, from the stockholders of that company.

Q. And what were the chief properties owned by the National Transit Company at the time of the formation of the trust?—A. The stock of the United Pipe Lines, a line from oil regions to Pittsburg, a line from oil regions to Cleveland, a line partly constructed to New York through Pennsylvania, with rights of way in Pennsylvania and in New Jersey; a line constructed part of the way to New York through the State of New York and rights of way in New
12809 York and in New Jersey; a line to Buffalo; stock of the National Storage Company.

Q. When were the minority interests of the National Transit Company acquired by the Standard Oil trustees or Standard Oil interests?—A. Acquired from 1882 to 1891, inclusive. All but 15,000 shares were purchased prior to February 6, 1890.

(A recess was here taken until 2 o'clock p. m., at which time the direct examination was resumed, as follows, by Mr. Rosenthal.)

Q. What was the capital stock of the Portland Kerosene Oil Company and the number of shares?—A. 2,000 shares. $200,000 capital.

Q. How much of it was owned in 1882 by the parties to the trust agreement?—A. $93,400; 934 shares.

Q. When had those 934 shares been purchased by Standard Oil interests?—A. In 1878.

Q. And what property was owned by the Portland Kerosene Oil Company?—A. They owned a refinery at Portland, Maine.

Q. When was the balance of the stock of the 2,000 shares acquired by the Standard Oil trustees?—A. It was acquired from 1883 to 1886.

Q. So that thereafter all of the capital stock of that company was owned by the Standard Oil trustees?—A. It was.

Q. And what then became of the property later on?—A. It was transferred in 1892 to the Standard Oil Company of New York.

Q. And what became of the Portland company?—A. It
12810 was liquidated and ceased business.

Q. And that property now consists of what, and is owned by what company?—A. It consists of an oil yard at Portland, Maine, and is owned by the Standard Oil Company of New York.

Q. What was the capital stock of the Producers' Consolidated Land & Petroleum Company, and how many shares were there originally?—A. $2,500,000, 25,000 shares.

Q. That capital stock by 1882 had been reduced to a million dollars, had it not?—A. Yes; in 1879.

Q. So that in 1882 how much of the capital stock was owned by the parties to the trust agreement—that is, how much of the 10,000 shares?—A. 6,513-1/5 shares.

Q. When was the stock of that company originally purchased by Standard Oil interests?—A. In November, 1877.

Q. And what did its properties consist of?—A. Producing properties in the Pennsylvania oil fields.

Q. When was the balance of the stock acquired?—A. In 1896.

Q. And what became of the company and its properties?—A. The company was liquidated in 1896 and its properties were transferred to the Forest Oil Company, the properties having been practically exhausted.

Q. What was the capital stock and the number of shares of the Signal Oil Works in 1882?—A. $16,000; consisting of 160 shares.

Q. Of which how many shares were owned by the parties to the trust agreement in 1882?—A. 62 shares, or $6,200.

Q. When were those 62 shares originally acquired by Standard Oil interests, and in what way?—A. In 1879.

12811 Q. Well, the stock of the Signal Oil Works in 1879 was owned by what other company?—A. Owned by the Galena Oil Works, and came to us through the purchase of that company.

Q. What were its chief properties at the time of the formation of the trust?—A. It had a signal and cylinder oil works at Franklin, Pennsylvania.

Q. And what thereafter became of the property?—A. The property was reorganized in 1897 as the Signal Oil Company, and was consolidated in 1901 with the Galena-Signal Oil Company.

Q. And now owned by what company?—A. Now owned by Galena-Signal Oil Company.

Q. The next company named in the third division of the trust agreement is the Thompson & Bedford Company, Limited. What was its capital stock and shares?—A. $250,000, 2,500 shares.

Q. And the amount of stock owned by the parties to the trust agreement?—A. $200,000, 2,000 shares.

Q. When was that company organized, and by whom, and what properties did it take over at the time of its organization?—A. Organized in 1880 by Standard Oil interests. The company took over on its organization the business of the Thompson & Bedford Company, in which one-half interest was already owned for account of S. O. stockholders.

Q. What was the character of its business, Mr. Archbold?—A. Marketing and export business in lubricating oils, and one-half interest in the firm of Swan & Finch.

12812 Q. What was the character of the Swan & Finch business?—A. They were also dealers in lubricating oils.

Q. Did the Standard Oil trustees subsequently purchase the balance of the Thompson & Bedford Company stock?—A. They did, in 1890.

Q. And what, if anything, thereafter became of the property of that company?—A. It was transferred to the Standard Oil Company of New York in 1892. The company liquidated and ceased business.

Q. The Thompson & Bedford Company is now what?—A. It is now a department of the Standard Oil Company of New York.

Q. Engaged in the sale of lubricating oils?—A. It is.

Q. What was the capital stock, shares, the amount of stock held by the parties to the trust agreement in the Devoe Manufacturing Company in 1882?—A. The capital stock was $300,000, consisting of 3,000 shares. The amount of stock held by the parties to the agreement was $270,000; 2,700 shares.

Q. When were the other 300 shares of the Devoe Manufacturing Company acquired?—A. In 1882.

Q. And what later on became of the property of that company and of the business?—A. The property was transferred to the Standard Oil Company of New York in 1892. The company liquidated and ceased business.

Q. When was the Eclipse Lubricating Oil Company organized?—A. In 1878.

Q. What was its capital stock, number of shares, and how many shares were held by the parties to the trust agreement in 1882?—A. Its capital stock was $175,000, consisting of 3,500 shares. The amount of stock owned by parties to the trust agreement was $160,000, and 3,200 shares.

12813 Q. That is to say, all but $15,000 of the stock of the Eclipse Lubricating Oil Works was owned in 1882, at the time of the formation of the trust, by the parties who entered into that trust agreement?—A. It was.

Q. By whom and when was that company originally organized?—A. It was organized by the Standard Oil interests in 1878.

Q. What property did it have at that time?—A. It owned the Eclipse Works at Franklin, Pennsylvania.

Q. What was that?—A. A large works for the manufacture of lubricating oils and specialties.

Q. And is that still in existence?—A. It is.

Q. Known as what?—A. Knows as the Eclipse Works.

Q. The other $15,000 worth of stock was acquired by the Standard Oil trustees when?—A. In 1882.

Q. Thereafter they owned all?—A. They did.

Q. What later on became of the property of the Eclipse Lubricating Oil Company so far as its holding or ownership was concerned?—A. It was transferred in 1892 to the Atlantic Refining Company, and the company was liquidated and ceased business.

Q. Are those works now owned by the Atlantic Refining Company?—A. They are.

Q. The next company named in division 3 is the Empire Refining Company. What were its capital stock, its shares, and how many of them were held by the parties to the trust agreement in 1882?—A. Its capital stock was $100,000; 1,000 shares; owned by parties to the trust agreement $80.000, 800 shares.

Q. When was that stock purchased by Standard Oil interests and who purchased it?—A. It was purchased in 1881 by William

12814 Rockefeller and J. D. Archbold.

Q. How much of it?—A. 80 per cent.

Q. And for whose benefit?—A. For the benefit of the Standard Oil interests.

Q. What did the property consist of?—A. A refinery on Newtown Creek, Brooklyn.

Q. What thereafter became of the property of the Empire Refining Company?—A. The property was leased in 1891 to the Sone & Fleming Manufacturing Company, giving them also an option for the purchase of the improvements; option exercised in 1899 by the Standard Oil Company of New York; the works were combined with the Sone & Fleming works.

Q. The Franklin Pipe Company (Limited) was what—that being the next company named in the trust agreement?—A. It was a small pipe line that had its terminus at Franklin, Pennsylvania.

Q. A gathering line up there, was it not?—A. A gathering line.

Q. And what were its capitalization and shares?—A. $50,000 capital, 500 shares.

Q. How much of that at the time of the formation of the trust agreement was owned by the Standard Oil trustees?—A. $9,500 capital, 95 shares.

Q. When were those 95 shares in that little gathering line purchased?—A. In 1879.

Q. Have any shares been subsequently acquired?—A. 100 additional shares were acquired by Standard Oil trustees in 1882.

12815 Q. And the balance of the stock is still outstanding, is it?—A. It is.

Q. The Galena Oil Works, Limited; its capitalization, its shares, and the amount of stock owned at the time of the trust agreement by the parties to that agreement?—A. The capital stock, $150,000, consisting of 6,000 shares; owned by parties to the trust agreement, $116,250, 4,650 shares.

Q. When was that stock purchased by the Standard Oil interests?—A. In 1879.

Q. So that in 1879, as I understand you, somebody representing the stockholders of the Standard Oil Company of Ohio acquired by purchase 4,650 of the 6,000 shares of the Galena Oil Works, Limited?—A. They did.

Q. What were its chief properties at the time of the formation of the trust?—A. A lubricating works at Franklin, Pennsylvania.

Q. Were any additional shares purchased after 1882?—A. 525 additional shares were purchased by the Standard Oil trustees in 1885.

Q. Making 5,175 shares out of the 6,000 that have been owned by the Standard Oil trustees and Standard Oil interests since 1885?—A. Yes, sir.

Q. Was the Galena Oil Works (Limited) reorganized at any time after 1885?—A. It was reorganized in 1897 as the Galena Oil Company. It consolidated with the Galena Signal Oil Company in 1901.

Q. And it is now a part of what company?—A. The Galena-Signal Oil Company.

Q. That is, the Galena Oil Works (Limited), of which Standard Oil interests had owned these shares since 1879, consolidated
12816 with the Signal Oil Company in 1901, and those two companies are now known as the Galena-Signal Oil Company?—A. That is right.

Q. What were the capital stock, shares, and the amount of stock owned by the parties to the trust agreement of the Galena Farms Oil Company (Limited) in 1882?—A. Capital, $50,000; 1,000 shares; owned by the trustees, thirty-eight thousand——

Q. You mean owned by the parties to the trust agreement?—A. By the parties to the trust agreement; yes; $38,750; 775 shares.

Q. What was that company? What was its business? What were its properties?—A. Producing properties.

Q. Large or small producing properties?—A. Very small.

Q. Where were they?—A. In western Pennsylvania.

Q. When was that company organized and by whom and what for?—A. It was organized in 1879.

Q. By whom?—A. By the Standard Oil interests, to take over the producing properties.

Q. The Standard Oil interests were what companies?—A. The Galena Company, to take over its producing properties.

Q. When was that stock acquired and through what source?—A. The stock was acquired for account of the Standard Oil interests on distribution by the Galena Oil Works (Limited).

Q. And what subsequently became of that stock?—A. The stock was transferred to the Standard Oil Company of New Jersey in 1892.

Q. What happened to the company?—A. The company was liquidated in 1901 and ceased to do business.

12817 Q. The Germania Mining Company comes next in the trust agreement. What were its capital stock and shares, and what amount of its stock was owned by the parties to the trust agreement in 1882?—A. Capital, $30,000; 300 shares; owned by parties to the trust agreement, $29,000; 290 shares.

Q. There was a minority interest there of ten shares?—A. Yes.

Q. When and by whom was the Germania Mining Company originally organized?—A. By Standard Oil interests in 1880.

Q. And what were its principal properties at the time of the formation of the trust?—A. Leaseholders of producing properties.

Q. What have become of them since?—A. They were abandoned in 1883.

Q. Why?—A. They were nonproductive and unprofitable.

Q. I direct your attention next to the Vacuum Oil Company, the next company named in the trust agreement. What was its capital stock, the number of shares, and how many shares were held by the parties to the trust agreement?—A. Capital, $25,000; 100 shares; owned by parties to the trust agreement, $18,750; 75 shares.

Q. When was that 75 per cent of the stock purchased by Standard Oil interests?—A. In 1879.

Q. And what were its chief properties in 1882?—A. A refinery, warehouses, etc., at Rochester, New York.

Q. Have any additional shares been purchased by the trus-
12818 tees or the successors of the trustees since 1882?—A. One-half of a share acquired by Standard Oil trustees in 1890 and 75½ shares transferred to the Standard Oil Company of New Jersey in 1892.

Q. That is the original 75 shares?—A. The original 75 and that half share.

Q. And that half share?—A. And that half share. The Standard Oil Company of New Jersey acquired one share in 1896 and 23½ shares in 1900.

Q. So, since 1900 Standard Oil interests (using the comprehensive term) have owned all of the capital stock of the Vacuum Oil Company?—A. Yes, sir.

Q. Is that company still in existence?—A. It is.

Q. Known as what?—A. Known as the Vacuum Oil Company.

12819 Q. Still having its refineries and warehouses at Rochester?—A. At Rochester and at Olean—and acquired property at Olean.

Q. What is there at Olean?—A. A refinery.

Q. A large one?—A. A large refinery.

Q. And about when was that built, do you remember?—A. It started very early; I couldn't give the date without referring——

Q. Since 1882?—A. I should think it was since 1882; yes. Along in the 80's, I think.

Q. The next company named is H. C. Van Tine & Company (Limited). Please give its capitalization and the amount of stock owned by the parties to the trust agreement in 1882.—A. Capital $100,000; 1,000 shares; owned by parties to trust agreement, $75,000—750 shares.

Q. By whom was that company originally organized?—A. By Standard Oil interests.

Q. And what did the works consist of in 1882?—A. Consisted of a refinery at Allegheny, Pennsylvania.

Q. Known as what?—A. It is here [indicating on a paper] as the Diamond Ink Works. I never heard of that; I shouldn't think so. I think that must be a mistake.

Q. Your recollection of that is not clear, then?—A. I should say that it was the Diamond Works. I guess the "Ink" slipped in.

Mr. ROSENTHAL (to the witness). Just strike out the "Ink" with a lead pencil.

Q. Has the balance of that stock been acquired since 1882?—A. It was acquired in 1882.

12820 Q. By what company?—A. By the Acme Oil Company.

Q. All of the stock?—A. Yes, sir.

Q. What became of the company thereafter?—A. It was liquidated in 1886.

Q. The last company named in the trust agreement is the Waters-Pierce Oil Company. What was its capital stock in 1882 and how much of that stock was then owned by the parties to the trust agreement?—A. Its capital stock was $100,000, consisting of 1,000 shares; owned by the parties to the trust agreement, $40,000—400 shares.

Q. That is, owned directly by the parties to the trust agreement?—A. Yes, sir.

Q. In addition to that was there any other portion of that stock owned by Standard Oil interests?—A. 20 per cent of the stock was owned by the Chess, Carley Company.

Q. As to which you have already testified?—A. Yes.

Q. When was the Waters-Pierce Oil Company originally organized, and by what interests?—A. It was organized by Standard Oil interests and others, in 1878.

Q. What did it get when organized?—A. Purchased the business of Waters-Pierce & Company.

Q. The Standard Oil interests acquired that by what character of payment?—A. By paying cash for their stock.

Q. And in 1882 what were its chief properties?—A. Oil yards, marketing business, etc., in St. Louis, eastern Missouri, Arkansas, Louisiana, Texas, etc.

Q. Was the stock thereafter increased, and were there any additional interests acquired by the Standard Oil trustees?—A. 12821 In 1882 the stock was increased to $400,000, S. O. trustees taking 1,200 additional shares, and Chess, Carley & Company 600 additional shares. In 1885, by distribution of Chess, Carley & Company stock, S. O. trustees acquired 400 additional shares, and in 1888 and 1890 acquired 750 shares by purchase.

Q. And those properties were thereafter transferred to what company, and are now owned by what company?—A. To the Waters-Pierce Oil Company, and are now owned by that company.

Q. Do you remember whether Mr. J. A. Bostwick in 1883 was the treasurer of the Standard Oil Trust?—A. I do recall that he was.

Q. Was George H. Vilas the Vilas of the Vilas, Keith & Chester agreement in 1879?—A. He was.

Q. You have seen Mr. Bostwick sign his name, I suppose?—A. I have.

Q. Frequently?—A. Oh, very frequently.

Q. And he was for many years one of your close associates?—A. Yes, sir.

Q. Is he dead?—A. He is dead.

Q. When did he die; some years ago?—A. Some years ago; several years ago. Eight or ten years ago; I am not certain.

Q. Is this his signature that is attached to the paper that I now hand you?—A. I should say it is.

Mr. ROSENTHAL. Let this copy be marked as though it were the original. It is stipulated that the same be treated as the original.

(The paper was marked "Defendants' Exhibit 270.")

12822 Q. The paper that I have just shown you, with Mr. Bostwick's signature attached, has now been marked "Defendants' Exhibit 270." Will you please state what that is?—A. "George H. Vilas has this day transferred to my custody the shares of stock as stated below and designated as Class No. 1 and Class No. 2, the former representing the stocks held January 1, 1882, by Vilas, Keith & Chester, trustees, and the latter representing stocks acquired by Standard Oil Trust since January 1, 1882."

Q. And that receipt is signed by J. A. Bostwick, treasurer of the Standard Oil Trust, being a receipt given by him to George H. Vilas, who appears on that day to have transferred to his custody the various stocks which Vilas as trustee had theretofore held?—A. Yes, sir.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 270.

Q. Do you know Mr. George H. Vilas' handwriting?—A. I was very familiar with it.

Q. State whether or not this receipt, being defendants' Exhibit 270, with the exception of the signature of Mr. Bostwick, is in the handwriting of George H. Vilas.—A. It is.

12823 Q. Were you generally familiar with that transaction, Mr. Archbold [handing witness original of defendants' Exhibit 270]?—A. I was generally familiar with it.

Q. And do you know, generally speaking, whether the stocks which prior to that time had been held by Vilas, Keith & Chester, were along about that time turned over by them to the Standard Oil trustees?—A. I know that they were.

Q. Mr. Archbold, have you caused to be prepared a list showing the names of all of the companies now owned by the Standard Oil Company, with data concerning the changes in the capitalization of those companies, the dates of their organization, the chief properties owned at the time of the trust agreement or at the time of the organization of the company, or at the time of the acquisition of the Standard Oil Company's interest therein, the chief subsequent acquisitions made by those companies, and also showing the chief properties now owned—the same being the companies shown in petitioner's Exhibit 1, heretofore offered in this case, and petitioner's Exhibit 11?—A. I have.

Mr. ROSENTHAL. Perhaps we can shorten this very much, Mr. Kellogg, if we can agree upon some plan by which this can go in as an exhibit.

Mr. KELLOGG. All right.

Q. You have separated them into "domestic companies," which appear in the first division; the "producing companies," which appear in the second division; the "pipe line companies," which appear in the third division; the "foreign companies," which appear in the fourth division; and the "gas companies," which

12824 appear in the fifth division; have you?—A. Yes, sir; natural gas companies.

Q. This statement has been compiled under your general direction, and accurately states what it purports to state, does it?—A. I so believe.

Mr. ROSENTHAL. I offer it in evidence, and ask that it be marked "Defendants' Exhibit 271," the understanding with government counsel being that I am under no obligations to take these items up item by item as they appear on this exhibit with Mr. Archbold and have him testify thereto item by item.

Mr. KELLOGG. Yes; that is right. We will cross-examine as to such items as we may desire.

Mr. ROSENTHAL. Certainly.

Q. Mr. Archbold, do you remember whether shortly after the organization of the trust in 1882 the trustees proceeded to organize certain companies, such as the Standard Oil Company of New Jersey and the Standard Oil Company of New York——

Mr. KELLOGG. That is alleged in the bill, Mr. Rosenthal.

Q. And were certain properties which had theretofore been held by other Standard Oil interests transferred to the Standard Oil Company of New York and the Standard Oil Company of New Jersey subsequent to their organization?—A. They were.

Q. And at the time of their organization?—A. And at the time of their organization.

Q. So that that was the origin of the Standard Oil Company of New York in 1882, and the origin of the Standard Oil Company of New Jersey?—A. It was.

12825 Q. They were originated by the Standard Oil trustees after the organization of the Standard Oil trust?—A. They were.

Q. And all of the property that went into those companies at the time they were thus organized were properties which had theretofore been held by the Standard Oil trustees or other Standard Oil interests?—A. They were.

Q. And that is the same Standard Oil Company of New York that is now in existence as the Standard Oil Company of New York, all of whose stock is now held by the Standard Oil Company, being the New Jersey corporation?—A. It is.

Q. The Standard Oil Company of New Jersey, which was thus organized in 1882, is the same corporation as is the present Standard Oil Company of New Jersey?—A. It is.

Q. The capital stock having from time to time thereafter been increased?—A. Yes, sir.

Q. So that since 1882 the Standard Oil Company of New Jersey has been a corporation actively engaged in the conduct of the refining and marketing business. Is that true?—A. That is true.

Q. Do you remember that the capital stock of the Standard Oil Company of New Jersey was $3,000,000 in 1882?—A. I do.

Q. Do you remember to what it was increased in 1892? Was it $10,000,000?—A. Increased to $10,000,000?

Q. Yes, sir.—A. It was.

Q. In 1892?—A. Yes.

Q. And in 1899 it was increased to what amount?—A. It was increased to——

Q. $110,000,000?—A. $100,000,000 of common stock and
12826 $10,000,000 of preferred stock, $110,000,000 total.

Q. Do you remember when the Standard Oil Company of Indiana was organized? Was it in 1889?—A. I should say so.

Q. Page 4 of Exhibit 271; see if that refreshes your recollection.—A. In 1889.

Q. And that was a company that was originated by the Standard Oil trustees at the time the Whiting refinery was built, was it not?—A. It was.

Q. And for that purpose?—A. And for that purpose.

Q. And that is the same Standard Oil Company of Indiana as is now doing business there and which owns the refineries at Whiting and Sugar Creek and at Wood City?—A. It is.

Q. All of which refineries have since been built by the Standard Oil Company of Indiana?—A. They have.

Q. Now, you show in connection with each of the companies named on this exhibit its origin in just the same way that I have illustrated by the selection of these three companies—that is, the Standard of New Jersey, of New York, and Indiana?—A. I do.

Q. Take as another illustration the Solar Refining Company, which is one of your large Ohio refining companies. Is that a company that was originated by the Standard Oil trustees, and if so, when?—A. It was, in 1885.

Q. Where did the money come from that was used in the origination of that company and the construction of its properties?—A. It came from the trustees of the Standard Oil Trust.

Q. Take the Standard Oil Company of Kansas. Is that
12827 another illustration?—A. It is.

Q. Page 4 of your exhibit. By whom was that originated?—A. It was originated in 1892 by the Standard Oil Company of Kentucky.

Q. All of its stock being taken by the Standard Oil Company?—A. Yes, sir.

Q. And all of the money that went to the Standard Oil Company of Kansas in its origination and in the construction of its property came, as I understand you, from the Standard Oil Company of Kentucky?—A. Yes, sir.

Q. And possibly some of the money from the Standard Oil Company of New Jersey. Do you remember what the Standard Oil Company of Kansas was organized for?—A. It was organized to build a refinery at Neodesha, Kansas.

Q. And did it do so?—A. It did.

Q. To take care of what?—A. To take care of the production of oil that was then being found in Kansas and in that vicinity.

Q. And the Solar Oil Company was organized and its refinery built to take care of the Lima oil fields?—A. Of the Lima, Ohio, production.

Q. Take the Union Tank Line as another illustration (page 6). That is the company which owns the tank cars that are used by Standard Oil interests in the transportation of refined oil, is it not?—A. It is.

12828 Q. Who originated that company?—A. The trustees of the Standard Oil Trust, in 1891.

Q. And who took all of the stock and furnished the money in connection with the organization of that company?—A. The trustees of the Standard Oil Trust.

Q. And for what purpose?—A. For the purpose of transporting in bulk the refined oil and other products.

Q. That is, the Union Tank Line Company was a company organized to take over or to acquire and build these tank cars for the purpose of handling the various oil products in bulk, owned by Standard Oil interests?—A. Yes, sir.

Q. And it has been doing that ever since, has it not?—A. It has.

Q. Let me direct your attention to the Prairie Oil & Gas Company (page 2 of the pipe-line division, under the producing companies). By whom was the Prairie Oil & Gas Compay organized?—A. It was organized by the National Transit Company.

Q. Do you remember about when the Prairie Oil & Gas Company was organized? Was it about 1900?—A. I should say it was about 1900. I should have said a little earlier than that; about 1900.

Q. Where did the money come from that was used in the organization of that company and in the construction of its pipe lines?—A. It came from the National Transit Company.

Q. Which in turn was owned by the Standard Oil Company of New Jersey?—A. It was.

Q. What is the Prairie Oil & Gas Company? Will you tell us a little something about that?—A. The Prairie Oil & Gas Com-

12829 pany does principally a transporting business, having pipe lines from the fields in the State of Oklahoma and in the Indian Territory adjoining, through Kansas, through to Griffith, near Chicago.

Q. And whose oil does it transport?—A. It transports its own oil.

Q. Where does it get its own oil?—A. It buys it in the oil-producing fields.

Q. Does it produce any itself?—A. It does. It has also producing interests, principally in Oklahoma.

Q. And has it any other business besides the production of oil from the wells—the transportation of its own oil and the oil which it produces to the markets where it sells it?—A. Nothing except the sale of some crude oil, for fuel purposes; I suppose it does that.

Q. The Government has put in evidence an exhibit which is marked in this case "Petitioner's Exhibit 356–A," which purports to be a map showing the lines of the Buckeye Pipe Line Company. Where is the Buckeye Pipe Line Company? Please examine that map—356–A.—A. Its business was primarily the gathering lines in the Ohio and Indiana field, but it acquired, in 1892, the so-called Cygnet Pipe Line—a pipe line from Cygnet to Mantua.

Q. By whom was that company originally organized?—A. It was organized in 1886 by the National Transit Company.

Q. And where did all the money come from that was used for the purpose of organizing that corporation and constructing its properties?—A. It came from the National Transit Company.

12830 Q. The Buckeye Pipe Line Company, generally speaking, represents your Ohio pipe lines?—A. Ohio and Indiana pipe lines.

Q. The Buckeye at the present time doesn't own any Indiana pipe lines, I think; does it?—A. I had supposed it did. I may be in error about that. I am probably in error about that. I had supposed it still owned lines in Indiana.

Q. I think not.—A. Apparently not.

Q. What is the Cumberland Pipe Line Company?—A. The Cumberland Pipe Line was organized for the business in Kentucky.

Q. And where are its lines?—A. In the States of Kentucky and Tennessee.

Q. By what company was that organized?—A. That was organized by the National Transit Company, in 1901.

Q. For what purpose?—A. For the purpose of gathering oil produced in Kentucky and Tennessee.

Q. So that the Cumberland Pipe Line Company was originated by and constructed by Standard Oil interests, through the National Transit Company?—A. It was.

Q. Where is the Eureka Pipe Line Company?—A. In West Virginia.

Q. Does that comprise all of your West Virginia lines, or substantially all of them?—A. Substantially all, I should say.

Q. By whom was that company originated and its works constructed?—A. It was organized in 1890, by the trustees of the Standard Oil Trust.

12831 Q. Were there any minority stockholders at all?—A. There were no minority stockholders.

Q. And where did the money come from?—A. It came from the trustees of the Standard Oil Trust.

Q. What was done with that money?—A. It was used in the construction of these lines.

Q. So that was a company that was originated by and constructed by the Standard Oil trustees?—A. It was.

Q. What is the Indiana Pipe Line Company?—A. That covers the pipe lines in Indiana. That was an error of mine.

Q. Who organized that company?—A. It was organized in 1891 by the National Transit Company.

Q. Who furnished the money?—A. The National Transit Company.

Q. All of it?—A. All of it.

Q. And did it build the lines owned now by the Indiana Pipe Line Company?—A. It did.

Q. So that, again, is a company that was originated by the Standard Oil interests and its pipes constructed with money furnished by the Standard Oil interests?—A. It was.

Q. The Standard Oil interest being the National Transit Company?—A. Yes, sir.

Q. What is the New York Transit Company?—A. The New York Transit Company has a pipe line to New York.

Q. From where?—A. From the western New York fields.

Q. From up near Olean?—A. Near Olean, western New York.

Q. And comes down through New York State, does it?—A. It comes down through New York State to New York.

Q. Who built that line?—A. It was organized in 1892 by
12832 the National Transit Company.

Q. It had originally been built by what company, do you know?—A. Well, it was originally, I think——

Q. Had it originally been built by the American Transfer Company?—A. I think it had originally been built by the American Transfer Company. I am sure it was. Yes.

Q. About when was it built originally, do you remember? Was it some time in the early 80's?—A. It was the very early 80's; I should have said 1879 or 1880. The very early 80's perhaps.

Q. Who furnished the money that was used in the construction of that line?—A. The National Transit Company.

Q. The American Transfer Company?—A. The American Transfer Company originally, and its completion was made by the National Transit Company.

12833 Q. What is the Northern Pipe Line Company?—A. It has pipe lines through Pennsylvania.

Q. And who originated that company?—A. The National Transit Company.

Q. When?—A. In 1889.

Q. And where did the money come from in that connection?—A. It came from the National Transit Company.

Q. What is the Southern Pipe Line Company?—A. The Southern Pipe Line has a pipe line in Pennsylvania.

Q. Who organized that company?—A. That was organized by the National Transit Company in 1890.

Q. And where did the money come from?—A. From the National Transit Company.

Q. Were any of those lines constructed by the National Transit Company?—A. They were constructed with the money of the National Transit Company.

(Paper marked "Defendants' Exhibit 272.")

Q. Have you caused to be prepared defendants' Exhibit 272, the same being a list of companies that were shown in petitioner's Exhibit 257—that is, companies owned by the Standard Oil trustees, but omitting from this list the list of companies named in the trust agreement of 1882, and omitting from the list the present list of Standard Oil companies shown in petitioner's Exhibits 1 and 11, the last being covered by defendants' Exhibit 271?—A. I have.

Mr. ROSENTHAL. I offer defendants' Exhibit 272 in evidence.

Q. Defendants' Exhibit 272 is accurately and correctly prepared, is it, Mr. Archbold?—A. I believe it to be.

12834 (Paper marked "Defendants' Exhibit 273.")

Q. Have you caused to be correctly and accurately prepared defendants' Exhibit 273, and is it correct and accurate as so prepared?—A. I have, and I believe it to be.

Mr. ROSENTHAL. I offer defendants' Exhibit 273 in evidence.

(Paper marked "Defendants' Exhibit 274.")

Q. Have you caused to be prepared, Mr. Archbold, an exhibit showing all of the companies owned by Standard Oil interests on July 1, 1890, and the proportion owned on that day by the Standard Oil interests and by whom owned, and if so, is that correctly and accurately shown in defendants' Exhibit 274?—A. I have, and I believe it to be.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 274.

Q. Is there any competition that the Standard Oil Company meets with in the markets of the world outside of the United States?

Mr. KELLOGG. That is objected to as immaterial. You may answer.

A. There is.

Q. Have you caused to be prepared a list of companies, exclusive of companies competing with the Standard Oil Company in the United States, showing the names of the competitors of the Standard Oil Company in the markets of the world?—A. I have.

(Paper marked "Defendants' Exhibit 275.")

Q. Is that shown in defendants' Exhibit 275?—A. It is.

Q. In defendants' Exhibit 275, the same being a list of competitors such as I have just indicated, how many competitors are there

12835 in number, as shown in that list?—A. Shall I read this memorandum as it is?

Q. If you please; yes, sir. You have before you a short summary of the exhibit, have you?—A. I have.

Q. Will you read that, please?—A. The accompanying list of foreign corporations and firms——

Q. That is, defendants' Exhibit 275?—A. Engaged in the oil business shows a total of 147 companies against which their capital is noted, and 253 companies or firms which are not down, as capital not known, making a total of 400 competitive foreign organizations. The total of the capital set down, taking the individual amounts noted for Austria-Hungary, not the estimated total of $70,000,000, is $274,915,185.

By Mr. KELLOGG:

Q. Take this Exhibit 275, where do you get the names of these companies?—A. We compiled them from the reports from the different countries, commercial and consular reports.

Q. That is all you know of the fact?—A. That is all I know, yes.

Q. You don't know which ones are engaged in refining and which are simply producing concerns?—A. Not closely. I know some of them, of course, the larger ones.

Q. But generally speaking——A. Generally speaking I would not know which was producing and which refining, or which were both.

Q. Now take this Russian list. Here are I should say a hundred or so names of individuals, corporations, or firms. You do not know whether they are simply producing wells or whether they are
12836 manufacturing companies or whether they are selling companies, or whether they are little grocery companies, or what they are, do you?—A. I know the reports as a rule show pretty definitely what they are; but of course I am not personally familiar with it.

Q. This report does not show?—A. No, but I have taken the reports——

Q. You have taken every concern of any kind having any dealing in oil, haven't you?—A. Yes.

Mr. ROSENTHAL. Every one that is reported.

WITNESS. That are reported—that is large enough to be reported.

Q. Whether it is retail or wholesale or what it is?—A. That is engaged in the petroleum business.

Mr. ROSENTHAL. And in competition.

WITNESS. And in competition, yes.

Q. How do you know they are in competition?—A. We know that they are in competition with us, I mean.

Q. How do you know that these concerns are all in competition with you?—A. I know it because our——

Q. A crude oil producing concern that was just producing oil and selling to some Russian concern would not be in competition with you, would it?—A. I should think it could.

Q. The wells?—A. In competition with American oil, yes.

Mr. KELLOGG. This is objected to as being indefinite and not shown to be accurate.

By Mr. ROSENTHAL:

Q. Do you remember about when the Standard Oil Com-
12837 pany and the Standard Oil interests engaged in the foreign business extensively?—A. I could not tell as to the date without referring. I should say it was the late eighties or the early nineties.

Q. Have you caused to be prepared defendants' Exhibit 276, showing the percentages of export and domestic trade of the Standard Oil Company and Standard Oil interests from 1891 down to 1906, inclusive?—A. I have.

(Paper marked "Defendants' Exhibit 276.")

Q. In 1891 what percentage of the total business of the Standard Oil Company was foreign business?—A. 57.10.

Q. And what percentage domestic business?—A. 42.90.

Q. In 1900 what percentage was foreign business and what percentage domestic business?—A. 61.84 foreign; 38.16 domestic.

Q. And in 1906?—A. In 1906 export 63, domestic 37.

Q. So that of all the business done by the Standard Oil Company in 1906, 63 per cent of it was foreign business and 37 per cent of it was domestic business?—A. Yes, sir, in illuminating oil.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 276.

12838 By Mr. KELLOGG:

Q. Let me ask you about this exhibit—defendants' Exhibit 276. What do you mean by domestic trade? Take the year 1906.

Mr. ROSENTHAL. He means trade in the United States.

Q. I mean exports—the year 1906. Does that include all of your foreign business?—A. It includes all the illuminating oil that went to the foreign trade.

Q. It includes the oil manufactured by you in foreign countries?—A. No, sir.

Q. Doesn't it include your oil manufactured in Mexico?—A. We don't manufacture any oil in Mexico excepting a little through the Waters-Pierce.

Q. It includes the Waters-Pierce?—A. It includes the Waters-Pierce?

Q. Yes—it includes that, doesn't it?—A. I don't imagine it includes that.

Q. Do you know whether it does or not?

Mr. ROSENTHAL. It does not.

A. I should say it doesn't.

Q. How about the Imperial Oil Company of Canada? Does it include that?—A. I should say not.

Mr. ROSENTHAL. It doesn't. Both the Mexican and Canadian business is excluded.

Q. Do you know that all of the oil which you mark here as export oil was manufactured in the United States?—A. I should say that it was.

Q. How do you know?

Mr. ROSENTHAL. The exhibit was prepared upon that theory.

12839 A. The statistics were prepared in the most careful way I know how to have them.

Q. Well, all of this oil that is exported here, is manufactured by the Standard Oil Company, is it?—A. The Standard Oil Company, I suppose.

Q. Or its companies?—A. Yes; and its associated companies.

Q. Does this include the Tide Water Company's oil?—A. I should think perhaps our percentage—the percentage to which we are interested in the Tide Water Company. And yet I am not sure about that.

Mr. ROSENTHAL. We will ascertain that.

A. I can ascertain whether that is true or not. It may, to the extent to which we are interested in the Tide Water.

Mr. ROSENTHAL. I think that has also been excluded, but we will ascertain that definitely.

Q. And ascertain whether the other companies whose oil you buy——A. Yes. And will you make a note of that, if you please.

By Mr. ROSENTHAL:

Q. Can you give us some idea, generally, of the progress of the development of European business and business in the Orient by the Standard Oil Company?—A. Do you mean the distributing business in refined oil?

Q. Yes, sir.—A. I of course have been more or less familiar with it in all its features for these many years. It has been a business which has required the greatest possible effort in the way of its introduction and successful distribution in the faraway countries. We have, however, been almost universally well treated, especially
12840 by the Oriental companies, in the introduction of the goods there—Japan and China especially. In India we have for a very considerable time had competition from their own production, and they are protected in their industry there to an extent that makes it an exceedingly difficult thing for us to compete with them. The same is true of the Dutch Indies, where there is, of course, a very large production. Where we formerly had almost the entire trade there, the local production in the Dutch Indies now, of course, takes largely the local trade, and they are also competitors with us in China and in India. There is a very large production of oil, of course, in the Dutch Indies, and a very considerable production in India and British Burmah, and a very considerable production in Japan—which is increasing there. We have gone forward against tremendous obstacles, of course, in the earlier history especially, toward the creation of markets and the holding of the markets for American oil.

Q. Can you give us some idea of the difficulties that you encountered in the origination, establishment, and building up of the Oriental business—the African business? Was it an easy task or a difficult one?—A. It has been a very difficult task indeed—a task that has called for large investments of money and patient and persistent effort on the part of our agents in every way. We have often been favored through our State Department, in connection with the efforts for our establishment there. We have been better treated in reference to our foreign business, I should say, than in reference to our domestic business, in that respect. In Europe the competition has been even more severe. The enormous production of Russia
12841 has sought a market more particularly in eastern Europe and to the eastward of that—in Turkey and into the Orient. They have been our active competitors for many years. Of recent years a very large production of oil has been found in the nearer States of Europe, namely, in Galicia and Roumania more particularly, some in Germany and a little in Alsace; but Roumania and Galicia are com-

ing to be very important oil-producing States, and they are constant and aggressive competitors for the trade of the Continent.

Q. In what countries does the Standard Oil Company sell illuminating oil and the products of petroleum?—A. In what country!

Q. Yes, sir.—A. In Europe, or——

Q. The globe.—A. Well, our trade is pretty nearly world-wide. There is scarcely a civilized part of the globe that the Standard Oil Company does not reach in one way or another with American oil.

Q. And that has been a slow building-up process?—A. It has been a process since the organization began. The effort began at once for the extension of trade. The effort of the Standard Oil Company, from its very inception, has been the development of the resources of this country and the extension of its commerce throughout the world.

Q. In the Orient and in Europe is it your endeavor to reach the consumer direct, in the same way that you do here?—A. It is. We are rapidly as possible putting the same plan of distribution
12842 into operation in all those countries what we have here, so as to, with the greatest possible economy, reach the consumer.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 276, showing the proportion of export and domestic trade, from 1891 to 1906.

Q. Have you caused to be prepared defendants' Exhibit 277, showing a list of competitive refineries, that is, refineries in competition with Standard Oil refineries, in the United States, and does defendants' Exhibit 277 correctly show that?—A. I have, and I believe it does.

Q. That has been compiled from various sources, has it?—A. Yes; from the most careful reports obtainable in the localities.

Q. The total number of competitive refineries as shown by defendants' Exhibit 277 is how many?—A. 123.

Q. That is, in this country?—A. In this country; yes.

(An adjournment was here taken until the morning of Tuesday, December 1, 1908, at 10.30 o'clock.)

12843 ROOM 508 CUSTOM-HOUSE, NEW YORK CITY,
Tuesday, December 1, 1908—10.30 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr. Charles B. Morrison, Mr. J. Harwood Graves. On behalf of the defendants, Mr. John G. Milburn, Mr. Moritz Rosenthal, Mr. John S. Miller, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. W. Cleveland Runyon.

JOHN D. ARCHBOLD, recalled, and his direct examination resumed, as follows:

By Mr. ROSENTHAL:

(Paper marked "Defendants' Exhibit 278.")

Q. Have you caused to be prepared, Mr. Archbold, a statement of the marketing companies operated by the Standard interests, or

Standard companies, showing the total number of main stations, substations, marketing stations now operated, and the total number of such stations established or acquired since July 1, 1890, and the total number of such stations established since July 1, 1890, by Standard Oil interests, showing the total for all the marketing companies and the totals for each of the marketing companies separately?—A. I have.

Q. Does that data appear and is it correctly stated in defendants' Exhibit 278 [handing witness defendants' Exhibit 278]?—A. It does so appear, and I believe it to be correctly stated.

12844 Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 278.

Q. Mr. Archbold, directing your attention again for a moment to the organization of the Standard Oil Company of New Jersey in August, 1882, I think you testified yesterday that the original capital stock of that company was $3,000,000?—A. I did.

Q. Do you know what it was that went to make up that 3 millions of dollars capital stock?—A. I do, approximately.

Q. Can you tell us generally just what it was and where the property came from, or the money came from, that was used in making up the original $3,000,000 capitalization?—A. It had been owned theretofore by the Standard Oil Company of Ohio.

Q. What do you mean by "it had been owned"—the property?—A. I mean the property. It consisted of land, real estate, and the refinery construction and the general construction incident to a large refinery; tar distilleries and the appliances necessary for the complete operation of a large refinery, and, as I recall, the proportions were: Of real estate and construction, about $2,000,000, and of cash, approximately $1,000,000, all of which, as I say, came from the Standard Oil Company of Ohio.

Q. The real estate being transferred how?—A. The real estate being transferred to the Standard Oil Company of New Jersey at the time of its organization.

Q. By the Standard Oil Company of Ohio?—A. By the Standard Oil Company of Ohio.

Q. And the cash coming from where?—A. From the Standard Oil Company of Ohio direct.

12845 Q. The refineries and refinery construction that were originally contributed by the Standard of Ohio in that connection were located where?—A. At Bayonne, New Jersey, and at Communipaw, New Jersey.

Q. The Standard Oil Company of New York, as I understood you yesterday, was also organized in August, 1882, with a capital stock of 5 millions of dollars?—A. It was.

Q. Where did the property, either real or personal, come from that went to make up that 5 millions of capitalization?—A. They had been owned theretofore by the Standard Oil Company of Ohio, and they all came from the Standard Oil Company of Ohio to the new organization of the Standard Oil Company of New York.

Q. Do you remember about how much real estate and how much cash was contributed by the Standard Oil Company of Ohio in that connection?—A. My recollection is that the contribution was about equally divided between real estate and construction, amounting in the aggregate to $2,500,000, and $2,500,000 in cash—speaking in round numbers.

Q. And that came from the Standard Oil Company of Ohio?—A. All from the Standard Oil Company of Ohio.

Q. Do you remember, generally speaking, where the real estate and the construction—refinery construction, manufacturing construction—were located?—A. In Brooklyn and Long Island City; the Brooklyn section principally.

Q. Were you one of the trustees named in the Standard Oil Trust agreement of 1882?—A. I was.

Q. And did you act as a trustee?—A. I did.

12846 Q. During what period?—A. Through all the life of the trust to the period of its dissolution in 1892.

Q. From 1882 to 1892 you were one of the active trustees?—A. I was.

Q. Were you thereafter one of the liquidating trustees?—A. I was.

Q. And you served as a liquidating trustee from 1892 until when?—A. Until the work of the liquidating trustees was completed in 1899.

Q. Are you familiar, generally speaking, with what was done during the period of liquidation?—A. I am generally familiar.

Q. In the way of liquidation, I mean?—A. I am.

Q. Will you please tell us what was done in the first instance, so far as a transfer of trust certificates by certain of the principal trust certificate holders was concerned?—A. The principal trust certificate holders (constituting, of course, a large majority of the ownership) at once made the transfer, submitting their trust certificates and taking in lieu thereof the stocks in the twenty companies representing the property of the trust. Opportunity was given, of course, to all, and request was made of all shareholders that they submit their trust certificates for such liquidation, but many of the small holders did not do so, and there was no way in which they could be compelled to do so. They were very loth to make the substitution, to make the change.

Q. Well, as a matter of fact, from 1892 to 1899, were there a great many of the smaller certificate holders who did not transfer

12847 their trustees' certificates for assignments of legal interests?—A. They were very slow, indeed, to do so. The trust certificate had a value, not only in a marketable way, but as a collateral security, which they felt would not or might not attach to the separate or segregated interests, and they were exceeding loth, as I say, to make the transfer, and it was a question of a long time and of special effort to secure the transfer.

Q. Do you happen to remember whether during that period there were any transfers of these assignments of legal interest?—A. There were such transfers.

Q. These smaller certificate holders, in the event of a transfer of their trustees' certificate for an assignment of legal interest, did they thereafter take their assignments of legal interest and get therefor stocks in the then twenty companies, or did they continue to hold the assignment of legal interest?—A. Many of them continued to hold the assignments of legal interest. It would have been almost an impossibility for them to have divided their trust certificates, a small trust certificate, into the shares of the different companies. It would have resulted in so small a fraction in the shares of the different companies that it would have had no market value, no value to which they could have attached a market transaction in any way.

Q. So that as a matter of fact it is true, is it not, that, with the exception of the principal certificate holders, the great body of certificate holders received merely assignments of legal interest for their trust certificates, and thereafter carried their assignments of
12848 legal interest instead of converting the same into stocks of those twenty companies, and a great many in addition to that, during that period, actually retained throughout the entire period their trust certificates without exchanging them for assignments of legal interest?—A. They did follow both courses.

Q. Had the trust certificates during the period of the trust a recognized market value, and were they traded in on the market?—A. They were traded in currently on the market.

Q. Please state whether or not from 1892 to 1899 there was any trading in the stocks of the twenty companies or any of them?—A. I do not recall that there was any such trading. If there was—and, as I say, I do not recall—it was in the group of stocks as a whole, so that the entity was preserved, the ownership as a whole, the assignment as a whole.

Q. Was there any market value, any known market value, that attached to the stock of any of the individual companies during that period?—A. There was not.

Q. As a matter of fact, had the stocks of any of these twenty companies ever been on the market as marketable securities at any time between 1882 and 1899?—A. They had not. They were recognized as parts of a whole, and the value of any individual stock or that of any single company was not known or recognized, had no place in the market.

Q. Take, for example, the stock of the Standard Oil Company of New York. That company, as already appears on the record, was organized by the trustees in 1882. Who took all that stock at the time of the organization?—A. The trustees.

12849 Q. And who held it continuously from 1882 to 1892?—A. The trustees.

Q. It was never on the market in any way at all, was it?—A. It was not.

Q. And is that also true of the stock of the Standard Oil Company of New Jersey?—A. It was true of the Standard Oil Company of New Jersey.

Q. And of the Standard Oil Company of Indiana?—A. Yes.

Q. And of the various other companies that were created and organized by the trustees during the trust period?—A. That is true.

Q. Have you caused to be prepared a statement showing who the directors and officers were of all of the twenty companies that were in existence in 1892 except the Northwestern Natural Gas Company, showing who such officers and directors were continuously from the year 1891 to the year 1899, both inclusive?—A. I have.

Q. (Showing witness paper.) And has that been correctly and accurately prepared?—A. I believe it to be.

(Paper marked "Defendants' Exhibit 279.")

Q. That data appears, does it, in defendants' Exhibit 279?—A. It does.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 279.

Q. I notice after each name under the various years from 1891 to 1899 are stars appearing; and as I understand the scheme of that Exhibit 279, wherever there is a break in the stars, it shows a
12850 break in the continuity of office holding, does it, not, of the particular officer or director opposite?—A. (After examining paper.) It so appears.

Q. Did you participate in the final work of the liquidating trustees in 1899?—A. I did.

Q. And in the increase in the capital stock of the Standard Oil Company of New Jersey from $10,000,000 to $110,000,000?—A. I did.

Q. You were a party to those transactions, were you?—A. I was.

Q. Why was the capital stock of the Standard Oil Company of New Jersey at that time increased from $10,000,000 to $110,000,000? I mean in its relation to the various companies which went to make up the Standard Oil interests and the acquisition of the shares?—A. It was fixed upon as a convenient figure of capitalization.

Q. Do you remember about what the total amount of trustees' certificates outstanding was in 1892? Was it about $98,000,000 in round numbers?—A. I think it was.

Q. And did the increase in the capitalization of the New Jersey Company in 1899 have any relation to that figure?—A. Well, it contemplated the taking over of the trust certificates, and it was fixed as a matter of convenience at a round figure, and to allow a little margin for the further use of the stock.

Q. In addition to its being contemplated that the trust certificates should be taken over, what else was to be taken over? I un-
12851 derstood you to say heretofore that the principal trust certificate holders in 1892 had exchanged their trust certificates for assignments of legal interest, and their assignments of legal interest for stocks in the twenty companies. Was it to take over the certificates or the stocks or both, whichever might be outstanding?—A. All that had been represented in the stocks of the different companies during the process of liquidation, and the remaining certificates, and the certificates of legal interest.

Q. As a matter of fact, do you happen to know whether there was any exchange of trustees' certificates in 1899 for Standard Oil stock, or is it not true that these trustees' certificates which were then outstanding were first exchanged for stock in the twenty companies, and that it was an exchange of Standard Oil of New Jersey stock for stock in those twenty companies; that was the modus operandi, was it not?—A. Yes; my recollection is that that mode of operation was gone through, and that it was an exchange for the stocks really representing what had been the ownership of the trust.

Q. Do you know the relation that existed between a share of stock in the New Jersey company as it was issued in 1899 and the share which the certificate holder had theretofore had in the twenty companies that went to make up the organization represented by the certificate theretofore held?

Mr. KELLOGG. He may say whether he knows. I want to object to the question.

Q. Please answer?

Mr. MILBURN. Read the question again.

(The official reporter read the question.)

12852 Mr. KELLOGG. That question is objected to as calling for a conclusion of the witness. He may state what was actually done. The relation is shown by what was done.

Q. Please answer?—A. It represented the identical interest—property.

Q. Taking your own case as an illustration, Mr. Archbold, prior to 1892 you held and owned a certain number of trust certificates, did you not?—A. I did.

Q. How did the number of such trust certificates which you held compare with the number of shares of stock of the Standard Oil Company of New Jersey which you held subsequent to the increase of the capital stock of the New Jersey company in 1899?—A. It was identical.

Q. How did it compare with the assignment of legal interest which you obtained at the time you exchanged your trustees' certificates in 1892 for an assignment of legal interest?—A. My recollection is that I took the individual stocks.

Q. You first took an assignment of legal interest?—A. First took an assignment of legal interest. It was, of course, the same.

Q. That is, the assignment of legal interest——A. The assignment of legal interest was the same——

Q. ——would be the equivalent in amount of the trust certificates theretofore held by you?—A. Yes.

12853 Q. Now, after you had obtained in exchange for your trustee's certificate or certificates your assignment or assignments of legal interest, you exchanged that assignment or those assignments of legal interest for the stocks in the then twenty companies, did you not?—A. I did.

Mr. MILBURN. Called for by the assignment.

Q. Called for by the assignment of legal interest?—A. Yes, sir.

Q. And did you continuously from 1892 to 1899 hold precisely the same amount of stock in those twenty companies that you had originally obtained?—A. I did.

Q. In 1899, then, as I understand you, you exchanged the stocks which you then held in these twenty companies for stock of the Standard Oil Company of New Jersey, did you not?—A. I did.

Q. And did you exchange all of the stock which you so held and which you had so continuously held from 1892 to 1899 for Standard Oil of New Jersey stock?—A. I did.

Q. And on the making of that exchange, as I understand you, you then had an amount of stock of the Standard Oil Company of New Jersey that was the exact equivalent of the trustees certificates——

Mr. MILBURN. Of the number.

Q. Of the number of trustees' certificates which you had held in 1892 when the dissolution began?—A. I did.

Q. And you understand that the process which you went through in your individual case was the same process that was gone through with as to all certificates?—A. It was.

Q. Among those twenty companies, and among the existing companies the stock of which is to-day owned by the Standard Oil Company of New Jersey, is the Anglo-American, is it not?—A. I believe so.

12854 Q. What is the Anglo-American Oil Company?—A. It is an English corporation formed for doing business in the United Kingdom especially.

Q. It does a marketing business in the United Kingdom?—A. A marketing business.

Q. And, so far as the United States is concerned, what does it do here?—A. It does nothing here except buy its supplies for its trade.

Q. You mean by "its supplies," what?—A. Refined oil and the naphtha and paraffine; the various products of petroleum in which it deals.

Q. Those are purchased by the Anglo-American Oil Company in this country?—A. Yes.

Q. And by it transported to the United Kingdom and there sold?—A. And there sold.

Q. That is all that that company does here?—A. That is all it does.

(Paper marked "Defendants' Exhibit 280.")

Q. Have you caused to be prepared defendants' Exhibit 280, showing the physical properties of the Standard Oil Company of New Jersey as they are at the present time and have been for some years past [handing Exhibit 280 to the witness.]?—A. I have.

Q. And is that accurately prepared?—A. I believe it to be.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 280.

Mr. MILBURN. Was that 1906? Did you give that year?

WITNESS. Yes.

12855 Q. I am requested by Mr. Kellogg to ask you whether this statement, defendants' Exhibit 280, showing the physical

properties of the Standard Oil Company of New Jersey for the year 1906, represents those properties directly owned by the Standard Oil Company of New Jersey, as distinguished from stock ownership?—A. It does.

Q. Directing your attention for a moment again to the Prairie Oil & Gas Company—does that company have any refineries?—A. It has no refineries.

Q. Does it engage in production?—A. It has production.

Q. Have you any idea, comparatively speaking, of the extent of its production as compared with the amount of oil that it purchases, whether it is large or small?—A. Oh, a very small percentage.

Q. Just what does that company do? It produces oil. What does it do with the oil which it produces?—A. It produces oil; it transports oil.

Q. First take the oil which it produces; what does it do with that oil which it produces?—A. It transports it in its own lines to market, finding a market for it as it can.

Q. What does it do with the oil which it buys from others?—A. It stores and transports.

Q. And then what?—A. It supplies refineries who are its customers.

Q. Does it sell it or give it away?—A. It sells it.

Q. It produces its own oil and carries its own oil through its own pipes to the market, and there sells?—A. And there sells.

12856 Q. Its own oil?—A. Yes, sir.

Q. It buys oil from others, does it?—A. It produces oil and buys oil from others.

Q. With respect to the oil that it buys from others, just what happens to that oil? What does it do with that?—A. It transports it to the market and sells it.

Q. Through its own pipes?—A. Through its own pipes.

Q. Do you know whether it does now or whether it has ever used its pipes for the transportation of the oil of others, or whether it transports simply its own oil—that is, either the oil which it has produced or the oil which it has bought in the field?—A. Only its own oil, by production or purchase.

Q. So that the business of the Prairie Oil & Gas Company is the production of crude, to some extent, the purchase of crude in the Kansas and Oklahoma fields, and the sale of that oil which it produces and which it so buys?—A. That is correct.

Q. And that is all that it does, isn't it?—A. That is all that it does.

Q. Mr. Archbold, do you know why the Standard Oil interests have so vastly extended their pipe line system during the years, if you please, that you have been connected with the organization?—A. I think I do.

Q. Will you please state it?—A. The pipe lines are an absolutely necessary adjunct, a necessary part of the business as a whole. The volume of the business as a whole has entirely outgrown the possibilities of railroad transportation, and the transportation by pipe is a

more convenient method in every way; and in the construction
12857 of the large refineries necessary for the doing of the business pipe lines of a necessity had to be created in order to insure them a regular supply, a sure supply, of crude oil. They have become a part of the great scheme of the business with reference to reaching the markets, and they are essential in their use.

Q. Just what is the relation of the pipe line to the refinery?—A. It is the feeder of the refinery. It is the means by which the crude oil is brought to the refinery. There are no facilities in existence other than the pipe lines that would be even approximately adequate to the business, and the railroads of the country could not to-day, even if the tank cars were in existence (which of course they are not), do the business so as to keep the refineries in regular operation. They are a part of the whole.

Q. When you used the phrase "a part of the great scheme of the business," I understand you to mean by that a part of the scheme in the building up of the Standard Oil business. Am I correct about that?—A. Yes; and of the physical operation.

Q. That is to say, you have been directing your attention, as I understand your answers, to the building up of the Standard Oil business and its scheme of doing business, its methods of doing buiness and its necessities?—A. Yes.

Q. Would it have been possible, Mr. Archbold, in your judgment, to have developed the refinery construction of the Standard Oil interests to the extent that it has been developed, without the aid of the pipe lines as a part and parcel of that refinery development?—A. I do not think it would.

Q. Why?—A. I think it would have been a physical impossibility for the railroads to have handled the business in the enormous volume that has been developed within the past decade or more.

Q. In the first instance you have got to get the crude to the railroads through pipes, in any event?—A. Oh, yes. There must be gathering pipes in any event—pipes connected with the individual wells.

12858 Mr. ROSENTHAL. You may take the witness.

Cross-examination by Mr. KELLOGG:

Q. I believe you said you are vice-president of the Standard Oil of New Jersey?—A. I am one of the vice-presidents.

Q. How many years have you been?—A. I am not entirely sure as to what year I became a vice-president.

Q. You have been active in the management ever since its organization, haven't you?—A. Yes.

Q. Certainly ever since 1899?—A. Yes, sir.

Q. You are also a director of the Standard Oil of New Jersey?—A. I am.

Q. And have been since its organization, or since the reorganization in 1899?—A. Yes.

Q. You are a director in the Anglo-American Oil Company and have been for many years?—A. I am not now and have not been for some little time.

Q. You were——A. I was for a period.

Q. You were in 1907; it appears in evidence, I think, that you were.—A. In 1907? I should hardly think so.

Q. For some years prior to that you were?—A. For some years prior to that I was; yes, sir.

Q. An officer or director of the Standard of New York?—A. I am vice-president of the Standard Oil of New York.

Q. You have been very active in the Standard Oil business ever since your connection with the Standard Oil interests, haven't you?—A. I have.

Q. And for many years have been one of the leading men in
12859 the Standard Oil Company?—A. Active in it.

Q. Now I would like to direct your attention to some of these companies. Exhibit 271 seems to be a list of Standard Oil companies; the Standard Oil Company of New Jersey and companies whose stocks are owned by the Standard Oil Company of New Jersey, as shown in petitioner's Exhibit 1, and companies in which the Standard Oil Company of New Jersey owns stock, as shown in petitioner's Exhibit 11. You understand that to be a complete list of the companies which the Standard Oil of New Jersey directly or indirectly owns and controls?

Mr. ROSENTHAL. A complete list of just what it purports to be, Mr. Kellogg, and it is based upon your exhibits that have heretofore gone in.

Q. But you understood the exhibits furnished us to be a complete list, did you not?—A. I did.

Q. Do you know the Manhattan Oil Company of Ohio?—A. I know that there is such a company.

Q. About when was it constructed?—A. I can not tell from memory.

Q. Prior to 1900, was it not?—A. I should think so.

Q. It is quite an extensive pipe line system, isn't it?—A. My impression is that it had gathering lines in a part of the Ohio field. I am not familiar with it.

Q. It had also, in 1899, a refinery, had it not, at Galatea, Ohio?—A. There was a refinery at Galatea, Ohio.

Q. It owned quite a large number of tank cars for shipment of refined and crude oil, did it not?—A. I am inclined to
12860 think it owned some tank cars; I don't know how many.

Q. Five or six hundred cars?—A. I do not know how many.

Q. It also owned or controlled the Oil Creek refinery in Pennsylvania, did it not?—A. I do not remember.

Q. You do not remember. Have you any recollection of that at all?—A. No; I don't think I have.

Q. It was a company doing business in competition with your companies in Ohio, was it not?

Mr. ROSENTHAL. Just a minute, Mr. Archbold. I want to object to any questions concerning the Manhattan Oil Company, upon the

ground that it is not cross-examination of anything that was touched upon in the direct examination, and can only be gone into by Government counsel by making the witness his own witness in that regard.

Q. You may answer the question.—A. Do you wish me to answer in spite——

Q. Yes.—A Notwithstanding the objection of counsel?

Q. Yes, sir.—A. Will you read the question?

(The question was read by the official reporter, as follows: "Q. It was a company doing business in competition with your companies in Ohio, was it not?")

A. I think so.

Mr. ROSENTHAL. Now, may it be understood that my objection may go as to all further questions relating to the Manhattan Oil Company?

Mr. KELLOGG. Yes, sir.

Mr. ROSENTHAL. Without renewing the same?

Mr. KELLOGG. Yes, sir.

Mr. ROSENTHAL. And that the Government counsel takes
12861 the same position with respect to insisting upon answers?

Mr. KELLOGG. Yes, sir.

Q. What is the answer, please?—A. I so recollect it, yes.

Q. Its refineries were making oil and selling it in competition with the refineries of the Standard Oil companies?—A. I suppose they were.

Q. Its pipe lines were in the same general neighborhood and buying oil in competition with the Standard Oil pipe lines?—A. They were.

Q. Do you know the General Industrials Development Syndicate (Limited)?—A. I do not.

Q. Of London, England?—A. I do not.

Q. You know nothing about it?—A. I do not.

Q. Did you ever hear of it?—A. I have heard of it—more particularly since these hearings began.

Q. You don't know anything about it?—A. I do not.

Q. Is it owned or controlled, directly or indirectly, by any company of the Standard Oil combination?—A. Not to my knowledge.

Q. Do you mean that it is not, or that you have no knowledge of it, if it is?—A. I mean that I have no knowledge of it.

Q. You would be apt to know it, wouldn't you, if it was?—A. I think I would.

Q. It appears that the General Industrials Development Syndicate (Limited), was organized about 1899 and purchased all the stock of the Manhattan Oil Company. Did you know that?—A. I could not have told it until after hearing you say it.

Q. Who was Mr. Cuthbert? Do you know him?—A. I
12862 knew a Mr. Cuthbert.

Q. In 1899 he was in the employ of the Standard Oil Company wasn't he—John H. Cuthbert.—A. I do not recall that he was.

Q. You don't recall that he was?—A. No.

Q. He had been in your employ, hadn't he, in some of your companies?—A. I do not recall that he had been.

Q. Do you know him?—A. I did know him.

Q. Where was his place of business?—A. My recollection would be that he was employed with the Tide Water Oil Company.

Q. Didn't he use to be employed by one of the Standard Oil companies?—A. He may have been earlier, away back. I do not remember distinctly. I am inclined to think that he was—in the earlier years—employed by one of our companies.

Q. It appears that immediately after the purchase of the stock of the Manhattan Oil Company by the General Industrials Development Syndicate (Limited), of London, England, one of the Standard companies, the Solar Refining Company, bought the refineries of the Manhattan Oil Company. Do you remember that?—A. I do remember that the refinery was bought.

Q. The Union Tank Line Company, the Standard's car-line company, bought all the cars of the Manhattan Oil Company. Do you remember that?—A. I would not have remembered it. It is probably true.

Q. You don't remember it?—A. No.

Q. The Ohio Oil Company bought all the production, the wells, of the Manhattan Oil Company. Do you remember that?—

12863 A. I am inclined to think they did.

Q. And from that time, from about the time the Development Syndicate got control of the stock of the Manhattan Oil Company and ever since, all of the oil of the Manhattan Oil Company has been turned over to the Standard companies and sold to them. Is that true?—A. I do not know that it is true. It may be.

Q. Do you know anything about it?—A. I know that it is true that some considerable part of the oil that they run has been so turned over. Whether all or not I do not know.

Q. Did you know Mr. Anthony N. Brady?—A. I met him once I think only.

Q. Just once?—A. Yes.

Q. Did you know Mr. Benedict who was his partner?—A. I know him personally, yes.

Q. Do you know that they owned at one time the Manhattan Oil Company?—A. I knew that they were interested in it.

Q. Did you know that they built it in order to insure a supply of gas oil for their large gas plants in Chicago and Indianapolis?—A. If I recall correctly, and I think I do, that was the subject of the one interview with Mr. Brady which I had in those years.

Q. When was that interview?—A. I should say that it was about that time.

Q. Did he tell you that he was going to build it for that purpose?—A. No, sir; it was after he had built the works.

12864 Q. At the time he sold out?—A. Yes, at the time he was contemplating its sale.

Q. Did you talk with him about it?—A. I talked with him about a contract for supplying the gas companies at Chicago with gas-making material.

Q. Now it appears that in consideration that the General Industrials Development Syndicate should purchase the stock of the Manhattan Oil Company, Mr. Brady was to have a contract guaranteeing the People's Gas & Coke Company of Chicago a supply of gas oil for a period of ten years at a price to be agreed on?

Mr. ROSENTHAL. Does that appear in any contract?

Mr. KELLOGG. It appears in Mr. Brady's testimony.

Mr. ROSENTHAL. Then you mean that Mr. Brady so testified?

Mr. KELLOGG. Yes, sir.

Q. Did you know about that transaction?—A. I knew that we discussed with Mr. Brady the question of making a contract with him for such supply.

Q. And the Standard Oil Company of Indiana did then, in November, 1899, at about the time of the sale of this stock to the London company, make a contract with the People's Gas Light & Coke Company for a supply of gas oil for the period of ten years, did it not?—A. I believe it did.

Q. Did you negotiate that contract?—A. I do not think I finally negotiated the contract. I discussed the matter with Mr. Brady, as I say, in one interview.

Q. Did he say that he was selling out?—A. My recollection is that he said he was contemplating a sale of his property if he could make with us a satisfactory contract for his supply of gas-making material.

12865 Q. Did he say to whom he was selling?—A. I do not recall that he did.

Q. I notice that the contract provides that the Standard Oil of Indiana is to furnish the People's Gas Light & Coke Company a supply of gas oil for a period of ten years at a price of 1¾ cents per gallon delivered at the gas works in Chicago when the market price of crude oil is 40 cents per barrel of 42 gallons. Do you remember that?—A. I do not remember the details of the contract.

Q. And that there was to be an increase of this price, so that if crude oil in the Ohio and Indiana fields should reach 82 cents there would be one cent additional added to the price. Do you remember that?—A. I do not remember the details of the contract.

Q. That was a very low price, wasn't it?—A. I am not prepared to say that it was a very low price.

Q. Well, was it or was it not?—A. I imagine that it was a fair price as conditions existed at that time.

Q. What is the price you are getting for gas oil from the various gas companies now?—A. I couldn't tell without reference to the sales department.

Q. What price are you getting here in New York from the Consolidated Gas Company?

Mr. ROSENTHAL. That I object to, upon the ground that it opens up an entirely new subject-matter of inquiry and has no relation whatever to the direct-examination.

Q. Do you know what you are getting for the gas oil here in New York?—A. I do not know the exact price at present.

12866 Q. Aren't you getting about 4½ cents a gallon?—A. I wouldn't say without reference.

Q. Can you find out?—A. I can find out.

Q. Will you do so?—A. I will if I am so advised by counsel.

Q. What are you getting for this gas oil to the People's Gas Light & Coke Company?—A. I do not know at present.

Q. Can you find out?—A. I suppose I can.

Q. It is less than 3 cents, isn't it?—A. I do not know what the price is at present.

Q. Isn't it less than 2½ cents?—A. I say I do not know.

Q. Are you familiar with Mr. Brady's testimony given a year ago in this case?—A. I am not.

Q. Do you know that he testified that in the sale of this property to the London company $1,300,000 was allowed in value of property for that contract—in other words, that to procure that contract was worth in property $1,300,000? Do you know that?—A. I do not.

Mr. ROSENTHAL. The question is, whether you know if he so testified.

WITNESS. I do not.

Q. You do not know?—A. I do not.

Q. Is it not a fact that that contract was worth $1,300,000 to the Gas & Coke Company?—A. I haven't the remotest idea how Mr. Brady estimated the value of such a contract.

Q. What interest was it to the Standard Oil to get Mr. Brady to sell to the London company?

Mr. ROSENTHAL. If any.

Mr. KELLOGG. If any.

12867 A. We had nothing to do with his selling to the London company, that I know of.

Q. Had no interest in it?—A. Nothing excepting the contract for gas oil—if we could do so.

Q. Why should you give him a contract to induce the sale of this property that was worth $1,300,000 over and above the price they paid for the oil?

Mr. ROSENTHAL. I object to that, because it assumes that that was the reason that the Standard Oil Company entered into that contract, when there is not the slightest evidence to warrant any such assumption, from any testimony that is in this record.

Q. Please answer the question.—A. I never heard any such consideration suggested or any such figure named before.

Q. How does the price for gas oil which the People's Gas Light & Coke Company were paying you, compare with the price you get for gas oil in other places? Can you tell me?—A. I can't tell you.

Q. You don't know?—A. I don't know.

Q. Well, the net result is that you got the refineries, the crude oil production, the tank cars, and have since the purchase obtained all the supply of oil which the Manhattan Oil Company has piped; that is correct, isn't it?—A. I do not know as to the latter feature.

Q. Do you know Budd, Maxwell & Jecks, of London—solicitors?—A. I do not.

Q. Do you know Mr. James McDonald?—A. I know James McDonald.

12868 Q. Who is Mr. James McDonald?—A. James McDonald was for many years connected with the business of the Anglo-American Oil Company in London.

Q. I should have asked you if you knew the firm of Budd, Johnson & Jecks—London solicitors?—A. I don't know them.

Q. Did you ever hear of them?—A. I may have heard of them in connection with this inquiry.

Q. Do you know Mr. Maxwell?—A. I do not.

Q. Connected with the firm. Mr. Maxwell or Mr. Herbert Johnson?—A. I do not know either of them.

Q. Did you ever hear of them?—A. I may in connection with this firm. I don't even recall the names now.

Q. Well, tell us about Mr. James McDonald. Who is he?—A. As I say, he was connected for a period with the business of the Anglo-American Oil Company in London.

Q. For many years?—A. For a number of years.

Q. He was your manager in London of that company?—A. He was the managing director.

Q. Wasn't he a general representative of the Standard Oil in Europe?—A. I should hardly say so.

Q. He did business for you outside of the Anglo-American Company, didn't he?—A. Perhaps in instances.

Q. He was the manager of the Anglo-American Company in London?—A. Yes, sir.

Q. For many years?—A. For a number of years.

Q. When did he cease to be the manager?—A. I should say it was three or four years ago; I haven't the exact date in mind.

12869 Q. Wasn't he connected with the company up to about two years ago?—A. It might have been as late as two years since he dissolved his connection, but I don't think he had been very active in the business——

Q. Is he now connected with the company?—A. He is not.

Q. With any of your companies?—A. No, sir.

Q. In any capacity whatever?—A. Not to my knowledge; not that I recall.

Q. It appears by petitioner's Exhibit 348 that the Anglo-American Oil Company between 1899 and 1906 loaned Mr. McDonald large sums of money, aggregating over $2,700,000. Do you know about that?

Mr. ROSENTHAL. I object to that upon the ground that it is not cross-examination upon any subject-matter that was gone into on the direct.

A. I do not know about it.

Q. You were a director of the Anglo-American Oil Company in 1900, down to 1906, were you not?—A. I think I was.

Q. An officer of that company also?—A. No, sir.

Q. Active in its management?—A. No.

Q. It has a New York office, hasn't it?—A. It has a nominal office here.

Q. Has an office at 26 Broadway?—A. No special office. It has——

Q. Has books known as the American books of the Anglo-American Company?—A. It has kept some books here.

Q. This account was taken from the Anglo-American books, was it not?—A. Perhaps so. I do not know.

12870 Q. From the American books of the Anglo-American Company?

Mr. ROSENTHAL. It so appears in the record.

Q. Do you remember when this account was produced, about a year ago?

Mr. ROSENTHAL. May I have the same objection that I have already made with respect to any further questions that you may ask concerning James McDonald and the so-called James McDonald account?

Mr. KELLOGG. Yes, sir; you may have the same stipulation.

Mr. ROSENTHAL. I understand in each instance you insist upon an answer, notwithstanding the objection?

Mr. KELLOGG. Yes, sir.

A. I have no specific recollection about it. I knew that there were transcripts being made of accounts.

Q. You knew there were?—A. Yes.

Q. Did you know that the Government asked various officials of the Standard Oil Company—auditor and comptroller—about this account and no one could explain it?—A. I have heard the subject generally referred to, but I do not know what the specific facts were.

Q. Have you looked it up to find out what it was?—A. I have not.

Q. Would one of your companies loan from 2 to 3 million dollars at a time to Mr. McDonald without your knowing about it?—A. They might do so.

Q. Well, tell us who would know about it.

Mr. MILBURN. Would know about what?

Mr. KELLOGG. This account—what it was for.

12871 A. I should think the managing director in London would be most likely to know about it.

Q. You think no one this side of London would know about it?—A. I don't know of anybody.

Q. Why do you keep American books of the Anglo-American Company?—A. So as to know about the transactions here, that are made on behalf of the company.

Q. This account appears in the American books. Why don't you know about it?—A. I should think the books themselves would be the best evidence.

Q. What?—A. I don't know about it.

Q. Don't know anything about it?—A. No.

Q. Well, the comptroller says he knows nothing about; the auditor says he knows nothing about; Mr. Tilford says he knows nothing about it. Tell us somebody here that does know anything about it.—A. I should think that the managing director in London would be the man who would know about it.

Q. What was this account sent over to the American books for?—A. I don't know.

Q. What do you keep the American books for?—A. As I say, to keep a record of business done here on behalf of the Anglo-American Company. I am not familiar with the bookkeeping methods.

Q. Quite so. But you would not expect the Anglo-American Company to loan Mr. McDonald two or three million dollars without some reason, would you? It is not in the loaning business, is it?—A. Oh, I expect there was a reason. I do not know about it.

Q. I notice this loan commenced about the time of the
12872 purchase by the London company of the stock of the Manhattan Oil Company. Was it to buy that stock that this loan was made?—A. Not to my knowledge.

Q. Do you know it wasn't for that purpose?—A. I say it wasn't to my knowledge; that is the best answer I can give.

Q. Well, do you know that it wasn't for that purpose?—A. I don't know what it was.

Q. Will you produce the London books of the Anglo-American Company showing the complete transaction between Mr. McDonald and the Anglo-American Oil Company in relation to this loan?—A. I don't think I have any power to do so.

Q. Why not? You are a director of that company; it has an office here, and it is owned and controlled by the Standard Oil of New Jersey. Why haven't you the power?—A. I am not a director.

Q. I notice by the list of officers furnished by the Standard Oil Company that you were reelected a director June 27, 1907—a year ago last June. When did you resign?—A. It must have been immediately after that. I should have said, from memory, that it was earlier than that.

Q. Did you resign because of this investigation into the accounts of the Anglo-American Company?—A. I do not recall that I did.

Q. Do you recall that you did not?—A. I shouldn't say that I did.

Q. Who is the American manager of that company?

12873 Mr. ROSENTHAL. If any.

Mr. KELLOGG. If any.

A. I don't know that there is any individual who could be called the American manager. The directors who are resident here are the representatives of the company in the business that they do.

Q. Who are the directors?—A. I have forgotten who the directors now are.

Q. Elected June 27, 1907: Mr. W. C. Teagle, Mr. J. D. Archbold, Mr. H. H. Rogers, and Mr. J. A. Moffett seem to have been elected. Are they all directors now?—A. I am inclined to think not. I think that others beside myself resigned so that the more active men could come into the relationship.

Q. For many years you gentlemen had been directors of that company, hadn't you?—A. For a number of years.

Q. All of that stock is owned by the Standard Oil of New Jersey?—A. Yes, sir.

Q. And the Standard Oil of New Jersey can therefore control it, can it not?—A. I suppose it could.

Q. Have you any American directors now?—A. Oh, yes.

Q. Please produce a list of the directors of the corporation at the present time—will you?

(A recess was here taken until 2 o'clock p. m., at which time the cross-examination was resumed by Mr. Kellogg, as follows:)

12874 Q. Mr. Archbold, who are the American directors of the Anglo-American Company now?—A. I intended to inquire but I did not during the recess. I can find out for you.

Q. Did Mr. Rogers resign?—A. I think he did.

Q. And did Mr. Teagle resign?—A. No, I think Mr. Teagle did not.

Q. Did Mr. Moffett resign?—A. I am not sure as to that.

Q. What was the occasion of your resignation and Mr. Rogers'?—A. Mr. Rogers' resignation and my own—his partly on account of ill health, and both of us because we desired men more actively identified with the business to take our places.

Q. Who are they?—A. I will get the names for you.

Q. The Anglo-American Company is one of your very big companies, isn't it?—A. It is the largest distributing company abroad, yes.

Q. It owns the stocks of a large number of foreign companies?—A. I think a number; I don't know how many.

Q. And it has a capital stock of something like $10,000,000, has is not?—A. I think it is £2,000,000; I am not sure about that.

Q. You had been a director for years?—A. I had been a director.

Q. Can you give us the exact date of your resignation, or about the date?—A. I can.

Q. When was it?—A. I can not from memory. I will get it for you.

12875 Q. You are aware of the fact that Mr. Brady testified in this case about a year ago?—A. I remember of hearing that he did.

Q. Have you looked over his testimony?—A. I do not think I did.

Q. You had the substance of it called to your attention?—A. I may have noticed it in the newspapers; I have never discussed it especially.

Q. Let me call your attention to this testimony of Mr. Brady, from the record in this case: "Q. Well, then, as a matter of fact, you paid

in assets for that contract over thirteen hundred thousand dollars, didn't you?—A. Yes; but you said——Q. I should have said cash or cash assets. A. Yes. Q. You paid in assets, then, over thirteen hundred thousand dollars for that contract?—A. Yes, sir." Do you understand that he did?—A. I never heard of anything of the kind.

Q. Now, he says that the contract was not negotiated by him, but by the London Development Company?

Mr. ROSENTHAL. What contract?

Mr. KELLOGG. The contract between the Standard Oil and the Chicago company.

Q. They procured the contract, is that true?—A. I have no recollection of it at all.

Q. Who else did you talk with about that contract besides Brady?—A. In the gas company interests?

Q. Yes.—A. Nobody.

Q. What was the substance of your talk with Mr. Brady?—

12876 A. As I recall it, it was a talk preliminary to his disposition of the property, which he spoke of intending to do, if he could make a satisfactory contract. We discussed the terms generally, but I do not think the terms were agreed upon at that interview. I think they were agreed upon later, and between whom I don't recollect.

Q. Now, I call your attention to this: "Q. Well, you turned those assets over to the General Industrials Company?—A. Yes, sir. Q. For that contract?—A. Yes, sir. Q. In other words, the Standard Oil of Indiana gave you a 10-year contract for which you were willing to give the General Industrials Company, and did give them, assets worth over $1,300,000?—A. That is not quite right. Q. Isn't it right?—A. No; the General Industrials Company gave us the Standard Oil contract. Q. Certainly.—A. For the figure that—— Q. They got the Standard Oil contract?—A. Yes, sir. Q. In other words, you got that contract out of the Standard Oil Company for which you gave——A. Through the Development Company. Q. Through the Development Company?—A. Yes, sir. Q. For which you gave the Development Company assets worth to you over $1,300,000?—A. Yes, sir." Now, is it true that the Development Company negotiated that contract?—A. I have no recollection of the Development Company in connection with it at all.

Q. Did you ever meet anybody connected with the Development Company?—A. I never did.

Q. Isn't it a fact that Mr. Cuthbert is the man who examined the plant of the Manhattan Oil Company for this firm of London solici-

tors when that London company bought the stock?—A. I do

12877 not know.

Q. Isn't it a fact that Mr. John H. Cuthbert was your representative—I mean the Standard's representative—in the Tide Water Company as a director?—A. He went there, not especially as our representative, but left our employ and went to them because, I

imagine, they offered him greater inducement in the way of salary. I know of no other reason.

Q. Isn't it a matter of fact that he solely represented the Standard Oil Company as a director in the Tide Water Company?—A. I think he was there as a servant of the business.

Q. And he had no salary whatever from the Tide Water Company?—A. No; I do not think so. I have no recollection of anything of the kind.

Q. Then you had no negotiations with anybody connected with the Development Company?—A. I did not.

Q. Did any of the Anglo-American officials have any negotiations with the Development Company?—A. I do not know.

Q. Or with you?—A. I have no recollection of anything of the kind.

Q. And you can not explain this loan to Mr. McDonald at all?—A. I can not.

Q. As a director of the company, did you know of it?—A. I do not recall of having known of it until it came up in connection with these hearings.

Q. And since then you have not investigated it?—A. I have not.

Q. Although called to your attention about a year ago?—A. It was not especially called to my attention that I know of.

12878 Q. Did you know that Mr. Tilford was asked in relation to this matter also on the stand?—A. I remember hearing it spoken of.

Q. Did you know that the auditor and comptroller were asked about it a year ago?—A. I do not know that I did. I didn't pay any attention to that.

Q. And yet you have made no investigation whatever?—A. I have not.

Q. Has that loan been paid?—A. I do not know.

Q. Why didn't you investigate it?—A. Well, I didn't feel specially called upon to investigate it.

Q. Who is the man who has charge of this London company's business?—A. Well, I should say that Mr. Usmer was as prominent as anybody.

Q. It would be a very easy matter for you to learn all about that account and what it is for, Mr. Archbold?—A. Well, I don't know that I could.

Q. Will you do so?—A. I will make the effort.

Q. You will make the effort?—A. If counsel so advise.

Q. Who is the legal representative of the Anglo-American company here?—A. The directors here.

Q. The directors?—A. Yes.

Q. Who are any of the directors?—A. I will get their names for you.

Q. Who are the officials of the company here—auditor and comptroller?—A. I do not know that they have an official here.

Q. Did you know about the Indiana Pipe Line & Refining Company?—A. I did know generally about it.

12879 Q. Where did that company have a plant?—A. The Indiana Pipe Line & Refining Company?

Q. Kankankee, Illinois, wasn't it?

Mr. ROSENTHAL. That is objected to upon the ground that it is not cross-examination of anything that was developed in the direct.

Mr. KELLOGG. Same objections and stipulations as to this?

Mr. ROSENTHAL. Yes, sir.

Q. Kankankee, Illinois, wasn't it?—A. I remember very vaguely about it, yes.

Q. The Indiana Pipe Line & Refining Company had started the construction of a refinery at Kankankee, had it not?—A. I think it had.

Q. And had a pipe line?—A. I do not remember whether the pipe line was constructed or projected only.

Q. Did your companies buy that plant?—A. I am of the impression that we did, although my recollection is not clear about it.

Q. And immediately dismantled the refinery, didn't you?—A. I do not think that the refinery was constructed.

Q. It was partially constructed, wasn't it?—A. I could not say positively, but I think the process of construction had not really begun. There was some material, as I recall it, on the ground.

Q. Who were the men that were back of that enterprise? Mr. Cudahy?—A. I think the Cudahy people of Chicago.

Q. And they had shipped material there and started the construction of a refinery?—A. I believe they had.

12880 Q. They had a pipe line, you think?—A. They had a pipe line either projected or partially built, as I recall.

Q. You bought that, did you?—A. I think we did.

Q. And dismantled it and took the pipe line over?—A. I think the pipe line was utilized.

Mr. ROSENTHAL. Dismantled what, the pipe line?

Mr. KELLOGG. This refinery.

Mr. ROSENTHAL. He has already answered that.

Q. It was partially constructed, wasn't it?—A. I don't think so.

Q. No work done on it at all?—A. I don't think there was any work, as I recall it.

Q. What did you buy?—A. We bought the material.

Q. You were contemplating the construction of a refinery?—A. Yes, as I recall it.

Q. Did you use the material?—A. We utilized the material in our construction.

Q. You bought it because it was an independent refinery going in there, didn't you?—A. We bought it because it was offered on terms that were favorable, and because we could utilize the material in our own business.

Q. What did you pay for it?—A. I do not recall.

Q. To what company did you take the title?—A. That I do not remember.

Q. You are sure you bought it, though?—A. I am quite sure.

Q. Now, as a matter of fact, that was turned over to the Manhattan Company, wasn't it?—A. I do not know; I could not say.

12881 Q. Wasn't it turned over to the Industrials Development Syndicate (Limited), or to the Manhattan Company?—A. I do not know; I have no recollection of anything of the kind.

Q. Then, how came you to buy property and turn it over to the Manhattan Company or to the Industrials Company?

Mr. ROSENTHAL. He has not testified that that was done.

Mr. KELLOGG. Well, somebody else has.

Mr. ROSENTHAL. Not in this record.

Mr. KELLOGG. Yes, sir.

Q. Who is now in the management of the Manhattan Oil Company—what official?—A. My impression is that it is another Mr. Cuthbert, but I would not be entirely sure about it—a son of the former Mr. Cuthbert.

Q. A son of John H.?—A. A son of John H. Cuthbert.

Q. Now, the pipe lines that you got, what did you do with those?—A. Well, as I say, my impression about it is vague. I did not have to do personally with the transaction, but I should have said that they were made a part of and utilized by our other pipe-line companies in that section.

Q. Is the Indiana Pipe Line Refining Company, the corporation, still in existence?—A. I think not.

Q. Now, Mr. Cuthbert testified in this case as follows: "Have they" (that is, referring to this General Industrials Development Syndicate and the men connected with it) "any other business interests in this country that you know of?—A. Yes; there is a small pipe line over in Indiana. Q. Was it a part of your lines?—

12882 A. No. Q. Where did they get that?—A. They bought the stock. Q. What is the name of it?—A. Indiana Pipe Line & Refining Company. Q. Indiana Pipe Line & Refining Company?—A. Yes, sir. Q. Is that a gathering line or a trunk line?—A. It is a gathering line. Q. How much of it is there?—A. Oh, I don't know. I suppose it markets about 18,000 barrels a month. Q. Who are the officers of that company?—A. I am president of that company. Q. You are president of it?—A. Yes, sir. Q. And who are the other officers?—A. Mr. E. R. Curtin is vice-president; Mr. Lewis Platt is secretary. Q. What is the capitalization of that company?—A. $50,000." And again he testified: "Q. Now, when did this industrial concern buy that?—A. I was connected with it about the same time that I was with the Manhattan; I don't know when they bought it. Q. But the same Industrials Company (Limited) owns its stock?—A. Yes." Now, how did you happen to buy that and turn it over to the Industrials Company (Limited), if that is true?—A. I

do not know anything about it. This is the first time I have ever heard the recital of any such thing.

Q. As a matter of fact, you bought it, and not the Industrials; isn't that true?—A. Well, I should have said that we bought the pipe line, as well as the refinery material.

Q. Isn't it a fact, Mr. Archbold, that the Standard Oil Company, or some of its companies, indirectly owns the Industrials Development Syndicate (Limited), and organized it?—A. Not to my knowledge.

12883 Q. You keep pretty close track of companies starting business in competition with you in this country, don't you?—A. We do.

Q. You seemed to be able to produce a list here of every concern engaged in the oil business in the country, didn't you?—A. As nearly as we can keep track of it; yes.

Q. And in foreign countries?—A. We keep the very closest track that we can.

Q. Is this General Industrials Development Syndicate (Limited) engaged in the oil business anywhere else?—A. I do not know.

Q. You never investigated it?—A. I never heard of their being in any place else. They may. I never have heard of it.

Q. And yet it bought the Manhattan Company and then caused the Manhattan to sell you the refineries, the producing wells, the cars, and continued doing busines with you, and you never looked into the Development Company?

Mr. ROSENTHAL. I object to that question. It assumes a great deal that does not appear in this record and that is not the fact. The question is altogether too involved to be answered.

Q. Is that true?—A. I should like to hear the question.

Mr. KELLOGG. Well, read it.

Mr. ROSENTHAL. It is not a question. It is an argument.

Mr. KELLOGG. Read the question.

(The reporter read the question as follows: "Q. And yet it bought the Manhattan Company and then caused the Manhattan to sell you the refineries, the producing wells, the cars, and continued

12884 doing business with you, and you never looked into the Development Company?")

A. I think I will have to ask you to divide that query.

Q. Well; it bought the Manhattan Company, as it appears in this record, and sold you the refineries. That is true, isn't it?—A. The Industrials Company?

Q. The Manhattan Company sold you the refineries?—A. The Manhattan Company I think sold us the refineries; yes.

Q. Sold you the wells, the producing properties?—A. I think they did.

Q. Sold you the cars?—A. I think they did.

Q. It has continued in business, hasn't it?—A. The Manhattan Company continued?

Q. Yes; in Ohio.—A. Yes.

Q. Turned over its crude oil supply to your companies, hasn't it?—A. It has to an extent; I don't know to what extent.

Q. And you never looked in to find out who owned it or what the Development Company was?

Mr. ROSENTHAL. Who owned what?

Q. Who owned the Manhattan.

Mr. ROSENTHAL. Its stock?

Q. Yes.—A. I only know the fact that it was sold to an English company.

Q. And you never investigated to find out who the English company was?—A. No; not beyond that.

Q. Did you ever hear of the Security Oil Company of Texas?—A. I have heard of the Security Oil Company of Texas; yes.

Q. Did you ever hear of another English company known as the London Commercial Trading & Investment Company, of
12885 London?—A. I have heard of it since the beginning of these hearings.

Q. When did you hear of that?—A. I can't tell when I first heard of it.

Q. Does it own the stock of the Security Oil Company of Texas?—A. I do not know.

Q. Have you heard that it did?—A. I may have heard it in connection with these hearings.

Q. Do you know Mr. S. G. Bayne?—A. I do.

Q. Do you know his son?—A. I have barely met him. I have no special acquaintance with him. I would not know him now if I were to see him.

Q. His son testified that the stock of the Security Oil Company of Texas belonged to the London Commercial Trading & Investment Company, of London. Did you know of that fact?

Mr. ROSENTHAL. Just a minute. I wish to repeat the same objection——

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. ——to any cross-examination concerning the Security Company, on the ground that it is not a cross-examination of anything that was developed upon the direct.

Mr. KELLOGG. The same stipulation as to that, as to each question.

Mr. ROSENTHAL. And upon the further ground that there is a stipulation that counsel for the Government has entered into with counsel for the defendants in this case that entirely and completely covers any possible decree that the court might enter in this case with respect to both the Security and the Manhattan. They
12886 both have been practically stipulated out of this case for all legal purposes.

Mr. KELLOGG. Well, I do not agree with you as to that.

Mr. ROSENTHAL. And counsel can have only one possible object in asking these questions. That object has not anything to do with the legal issues that are involved in this case.

Mr. KELLOGG. My object is to find out what secret companies the Standard Oil controls and is operating in these various States.

Mr. ROSENTHAL. Your object is very apparent to counsel for the defense.

Q. Now, Mr. Archbold, does the Standard Oil Company or any of the Standard Oil companies directly or indirectly own or control the stock of the London Commercial Trading & Investment Company, of London?—A. Not to my knowledge.

Q. Was not the Security Oil Company constructed with money loaned to James McDonald by the Anglo-American Oil Company?—A. Not to my knowledge.

Q. Checks drawn by the Anglo-American Oil Company?—A. Not to my knowledge.

Q. Do you know the National Provincial Bank of London?—A. I do not.

Q. Were not checks of the Anglo-American Oil Company drawn to the order of the National Provincial Bank of London, by that bank turned over to the Bank of England, and checks then drawn to the solicitors to pay for the Security Oil Company?—A. I think I have lost it.

Q. You think you have lost it?—A. I think I have lost the question.

Q. Well, we will go back and see if we can find it. Were
12887 not checks drawn by the Anglo-American to the order of the National Provincial Bank for money to construct the Security Oil Company's refineries in Texas?—A. Not to my knowledge.

Q. You never heard of any such thing?—A. I never did.

Q. You never heard of the National Provincial Bank of London?—A. I never heard of it; no.

Q. You never heard of checks passing through that bank or the Bank of England payable to these solicitors?—A. I never did.

Q. And by them sent to S. G. Bayne to construct the Security Oil plant?—A. I never heard of it.

Q. Who is Mr. S. G. Bayne?—A. Mr. S. G. Bayne is a banker here.

Q. What bank?—A. The Seaboard National Bank.

Q. Where is it situated?—A. Right here, on lower Broadway. I don't know the number.

Q. Are you a stockholder in it?—A. I am a stockholder.

Q. Does the Standard Oil Company do business there?—A. I think some of their subsidiary companies keep their accounts there.

Q. Mr. Bayne has been a banker for many years, hasn't he?—A. I think he has.

Q. Did you know that he was the president of the Security Oil Company of Texas?—A. It seems to me that I heard it, and yet I could not have testified to it.

Q. Did you ever talk with him about it?—A. I don't think I have. I have no recollection of it.

12888 Q. Or with his son?—A. I have no recollection of ever talking with his son about it.

Q. Did you know whether he had any investment in the Security Oil Company of Texas?—A. I do not know.

Q. Does the Standard Oil Company, directly or indirectly, or any of the Standard companies, own, control, or have any interest in the Security Oil Company of Texas?—A. Not to my knowledge.

Q. Do you know that they don't?—A. I have no knowledge of the matter whatever.

Q. The Standard Oil companies buy all the oil manufactured by the Security, don't they?—A. I don't know.

Q. You don't know anything about that?—A. I know they buy some, but whether they buy it all or not I don't know. I should doubt it.

Q. The Security does not market any oil in competition with the Standard, does it?—A. I don't know how they market their oil.

Q. You don't know?—A. No.

Q. You know that you buy some of it?—A. I do.

Q. You sell them all their crude supply now, do you not?—A. That I don't know.

Q. You don't know that. Well, is there anything you know about the Security Oil Company of Texas?—A. Very little.

Q. Do you know anything about the Corsicana Refining Company of Texas?—A. I do know something of it.

Q. That company was for many years owned by the National Transit Company, wasn't it?—A. It was—built by the National Transit—established by them.

12889 Q. Why was the ownership of it kept secret?—A. I don't know that it was kept secret.

Q. Don't you know that it was built by money loaned to Folger and Payne and only carried on the books of the National Transit Company in the form of a loan?—A. I do not know as to that. I know that it was built by money furnished by the National Transit Company, and for legal reasons the names of those gentlemen may have been used in connection with it. I am not entirely familiar with the earlier history.

Q. Going back to the Security, there appears to be a petitioner's Exhibit 368, in this case, furnished by the Security Oil Company, of a list of sales of its products from 1903 to 1906–7, inclusive, and there do not seem to be any sales to any company except a small amount to the Southwestern Oil Company and a few employes, which is not a Standard company. Is that your recollection?—A. I don't know, I am sure.

Q. You don't know?—A. I don't know.

Q. Do you know that the Corsicana Refining Company only appeared in the accounts of the Standard Oil Company as a loan to Messrs. Folger and Payne?—A. I do not know how it was carried on the books. I know that the money was furnished by the National Transit Company for the creation of that property.

Q. What was the object of the Corsicana Refining Company appearing in Texas to be independent, and only appearing on your books through a loan to Folger and Payne?

Mr. ROSENTHAL. I object to that. It assumes that which has not been testified to by anybody in this case, that it appeared in Texas simply as an independent.

12890 Q. Will you answer the question?—A. What is the question?

Mr. KELLOGG. Please read it.

(The reporter read the question as follows: "Q. What was the object of the Corsicana Refining Company appearing in Texas to be independent, and only appearing on your books through a loan to Folger and Payne?")

A. I have no knowledge of any such condition at all.

Q. You have knowledge of the fact that the plant was built in the name of Folger and Payne?—A. I think their names were used under legal advice in connection with it, but——

Q. What for?—A. Probably with reference, somewhat, to the laws of Texas affecting the matter, and under advice of counsel; I don't know just why nor how.

Q. Is that the reason why the loan was made by the National Transit Company?—A. I am not aware that it was a loan.

Q. How is it held now?—A. The property is owned by Folger and Payne.

Q. Have they paid for it?—A. They are paying for it. They have partly paid for it.

Q. Out of the profits?—A. I don't know how they have paid for it.

Q. You don't know how it is being done?—A. No, sir.

Q. It appears in this case that the property is being managed as it was before, and all the income is being paid over to the Standard companies. Do you know whether that is true or not?—A. I know that the bargain of sale was made to them for good and sufficient reasons, and that they are paying for the property as fast as they can. Beyond that I do not know.

12891 Q. What were the reasons?—A. The reasons were because we wanted to get rid of the property.

Q. Didn't you want to own any property in Texas?—A. The vexatious conditions in Texas were such that it seemed best for us at all hazards to get rid of the property.

Q. Is that the reason why the Security Company was handled in the same way?—A. I don't know anything about that.

Q. Then, you don't know that the James McDonald account, or the money loaned James McDonald was for the acquisition of the Manhattan Oil Company and the Security Oil Company?—A. I do not, of my own knowledge.

Q. Will you produce the books of the Anglo-American Oil Company, showing what this loan was for?

Mr. ROSENTHAL. Which books? You have had the American books. We turned them over to you.

Mr. KELLOGG. No; I have had a copy of an account, that is all.

Mr. ROSENTHAL. We brought the books into court and gave you full and complete access, and you never heard of the McDonald account until we advised you of it by the production of the books.

Mr. KELLOGG. I am talking about the English books.

Mr. ROSENTHAL. That is what I ask you.

Mr. KELLOGG. Certainly.

Q. Will you produce those books?—A. I don't believe I have the power to produce them.

Q. Why haven't you?—A. I have no control over them.

Q. The Standard Oil Company has, hasn't it?—A. That would be a legal question that I could not answer.

12892 Q. It owns all its stock, doesn't it?—A. It does.

Q. Elects its directors, doesn't it?—A. It does.

Q. Well, will you try to do it?—A. I will discuss the matter with counsel, yes.

Q. Why was the ownership of the Waters-Pierce Oil Company kept secret?

Mr. ROSENTHAL. I object to that for two reasons. In the first place, it nowhere appears from anything in this record that its ownership was kept secret, but quite the contrary appears; and in the second place, it is cross-examination of something that was not gone into on the direct.

Q. Please answer.—A. What is the question?

Mr. KELLOGG. Read the question.

(The reporter read the question, as follows: "Q. Why was the ownership of the Waters-Pierce Oil Company kept secret?")

A. I am not aware that it has been kept secret.

Q. Aren't you aware that in the suit brought in the State of Missouri the Waters-Pierce Oil Company denied that it was owned, controlled, or that a majority of its stock was, by the Standard Oil Company?—A. My recollection is that at some periods during the past several years, under advice of counsel, the stock of the Waters-Pierce Oil Company has been legally in the name of individuals.

Q. What individuals?—A. I recall the names of Mr. Pratt and Mr. VanBueren.

Q. M. M. VanBueren?—A. M. M. VanBueren.

Q. He is your son-in-law, isn't he?—A. He is.

Q. He held a majority of the stock in his name for a time,

12893 didn't he?—A. I believe he did.

Q. Previous to that it was held in the Pratt Investment Company?—A. I would not have known what name.

Q. That was C. M. Pratt, wasn't it?

Mr. ROSENTHAL. Not the Pratt Investment Company.

Q. The Pratt Investment Account, I should have said.

Mr. ROSENTHAL. Carried upon the books of the Standard Oil Company as the C. M. Pratt Investment Account.

Q. It was carried on the books of the Standard Oil Company as the C. M. Pratt Investment Account, wasn't it?—A. I think it was; probably it was. I am not certain.

Q. And it was at that time really owned by the Standard Oil Company?—A. As I say, under counsel's advice, the legal ownership was put in the name of those individuals for a period. My understanding would have been that during both those periods the final beneficiary was to be the Standard—was the Standard Oil Company.

Q. That is, when it was held in the name of your son-in-law, Mr. M. M. VanBueren it really belonged to the Standard Oil?—A. It was to belong to the Standard Oil Company. The legal title was in him for a few years.

Q. What was the object of having it in his name?—A. As I say, there were legal questions, and I can not now explain explicitly and definitely what they were.

Q. So that you could deny your ownership of it?—A. I don't think so.

Q. It was generally denied, wasn't it?—A. I do not know of its being denied.

12894 Q. Wasn't it held out as being an independent company? Didn't Mr. Pierce swear affidavits that it was independent of the Standard?—A. Well, the Pierce relation to it at a certain period in its ownership I can not now undertake to explain. I did not have personally to do with it and do not know about it.

Q. It is a very large company, isn't it?—A. It is a large company, a distributing company.

Q. It distributes all the products; I mean it sells all the refined oil and gasoline in the southern half of Missouri, and in the States of Arkansas, Texas, Oklahoma, New Mexico, and the Republic of Mexico, doesn't it?—A. That I do not know.

Q. You don't know that that is the marketing company of the Standard Oil in that country?—A. Oh, it does market in those sections, but whether other oil is sold there or not I do not know,

Q. The other Standard companies do not market there, do they?—They may, to an extent.

Q. Well, they do, if any, to a very small extent, don't they?—A. I don't know to what extent.

Q. Illuminating oils, I mean.—A. I don't know.

Q. And gasoline.—A. I don't know to what extent.

Q. You knew Scofield, Shurmer & Teagle also, didn't you?—A. I did know them.

Q. About 1901 you bought them out, didn't you?

Mr. ROSENTHAL. The same objection, namely, that it is not proper cross-examination, and may we have the same stipulation?

Mr. KELLOGG. The same stipulation.

A. I think we did, although I did not have to do personally with that transaction.

12895 Q. That company had a refinery where?—A. At Cleveland.

Q. And also marketing stations all over the Central Western States, hadn't it?—A. I don't know to what extent.

Q. It had a plant in St. Louis, hadn't it?—A. I do not know as to the location of their distributing stations.

Q. It had several plants in Iowa?—A. Possibly; I do not know.

Q. That company was bought out, was it?—A. It was.

Q. Did you authorize the purchase or have to do with the purchase?—A. I did not have to do with it.

Q. Were you consulted?—A. Possibly. I do not recall distinctly.

Q. Do you remember the purchase price?—A. I do not.

Q. At the time you bought it it was competing with the Standard Oil companies, was it not?—A. It was.

Q. A very sharp competitor?—A. I don't know how sharp. It was a competitor.

Q. Pretty lively. Well, its property was placed in the hands of the Republic Oil Company, wasn't it?—A. My recollection would be that the Republic Oil Company was at that time a subsidiary company of the Scofield, Shurmer & Teagle property.

Q. Didn't you organize the Republic Oil Company yourselves?—A. I could not say positively as to that. I should think not.

Q. Didn't you put the property of Scofield, Shurmer & Teagle in the Republic Oil Company?—A. I don't think so.

Q. The marketing stations?—A. I think the marketing stations were all in the Republic Oil Company.

12896 Q. Did you dismantle the refinery?—A. The refinery, I think, was eventually consolidated with our other Cleveland works.

Q. Was it dismantled?—A. That I could not say.

Q. You don't know?—A. No.

Q. Did the Republic Oil Company operate as an independent company for years afterward?—A. I think it went on doing the business which it had theretofore done in the various sections.

Q. And its officials denied that it was owned by the Standard Oil Company, didn't they?—A. I do not think so. I don't know.

Q. You don't know that they did not?—A. I don't know that they did not and I don't know that they did.

Q. That question never came to your attention?—A. It did not. The fact of the purchase of the property was well known to everybody.

Q. Did the ownership of this property appear on the books of the Standard Oil Company?—A. Oh, I imagine it did. I did not have to do with it.

Q. Where did it appear?—A. I suppose in Cleveland.

Q. Did you ever have any conversations with any officials or employees of any of the Standard companies in relation to the acquisition of the Manhattan Oil Company or the Security Oil Company, or of either one of these English companies?—A. I do not recall that I had.

Q. You don't recall the subject having been discussed at all?—A. I do not.

Q. Do you know the Tide Water Pipe Company (Limited)?—A. I do.

12897 Q. When was its pipe line constructed to the seaboard?—A. It was partially constructed in the early eighties. I can not recall from memory when it was completed through to the seaboard.

Q. It was the first pipe line which was constructed with a view of reaching the seaboard, wasn't it?—A. I think it was constructed at about the same time as some of the Standard lines.

Q. Wasn't it the first pipe line built over the mountains and started for the seaboard?—A. Possibly so.

Q. And it reached Williamsport?—A. Williamsport, perhaps.

Q. Williamsport, Pennsylvania?—A. Yes, sir.

Q. In 1881, didn't it, or earlier?—A. If that was the year. I could not testify positively as to the year.

Q. Now, at that time your companies had not started to build any pipe line to the seaboard, had you, when this was constructed?—A. I should say that they had just about started.

Q. They started after this company did, didn't they?—A. I should say just about the same time.

Q. Isn't it a fact that this company's pipe line was constructed to Williamsport before your company started to construct a pipe line?—A. I could not testify positively as to that, but there was no considerable period intervening.

Q. Immediately after they started you started?—A. That I could not say.

Q. Now it appears in this record that your companies owned 31 per cent of the stock of the Tide Water Company. You knew about that?—A. I did.

12898 Q. After that company got to Williamsport it had a long struggle to get across the State of New Jersey, hadn't it?—A. I do not recall distinctly about it.

Q. You remember it was some time after that before it succeeded in getting across the State of New Jersey to tide water?—A. It was some time after that before it was completed to tide water; but whether it wanted to go earlier or not I don't know.

Q. About that time your company undertook to get possession of it, didn't it?—A. I do not recall that it did.

Q. Did you buy some stock in it?—A. We had some stock, up to about 31 per cent of the stock, in connection with another large transaction.

Q. What was the other large transaction?—A. The purchase of the producing properties of H. L. Taylor & Company.

Q. H. L. Taylor & Company had large producing properties, and he was connected with the Tide Water Pipe Company, wasn't he?—A. He was.

Q. One of the projectors of it?—A. I think so. I am not sure about that.

Q. One of the men whose companies were going to be large customers of it?—A. I don't know as to that.

Q. You understood that, didn't you?—A. I don't know that I did.

Q. You bought out his properties, did you?—A. We did, yes.

Q. And you acquired how much stock?—A. My recollection is about 31 per cent of the Tide Water stock.

Q. Who were the men who held that stock in their names? Was Mr. H. L. Taylor one?—A. I should say Mr. H. L. Taylor,

12899 Mr. Satterfield——

Q. P. S. McFarland?—A. Mr. McFarland, Mr. Satterfield, and Mr. Pitcairn.

Q. Mr. John Satterfield?—A. John Satterfield.

Q. And Mr. John Pitcairn?—A. John Pitcairn.

Q. And Mr. J. L. McKinney?—A. I should say so. I have forgotten.

Q. Now, do you remember that those men undertook to get possession of the Tide Water Pipe Company and to elect its officers?

Mr. ROSENTHAL. I object to that for the same reasons, namely, that it is not cross-examination of anything brought out on the direct.

Mr. KELLOGG. The same stipulation.

A. I have no distinct recollection regarding the matter. I would have forgotten it entirely except for the recent bringing up of the question.

Q. Have you refreshed your memory about it?—A. No, sir.

Q. You have not? You don't recall what did take place?—A. I do not.

Q. Don't recollect that they barricaded the office against these men to hold control of it?—A. I have no such recollection.

Q. And had to keep them out by force?—A. I have no recollection of it.

Q. And that immediately after you failed to get possession of it you entered into a contract with them to pool the business. Do you recollect that?—A. There was a contract entered into subsequently, but I don't think it was at all because of any failure of that

12900 kind. It was entered into simply as a business question.

Q. You remember the contract, do you?—A. I remember generally about it. I could not state its exact terms from memory.

Q. That contract purports to have been made in 1883—two contracts. Do you recollect that those contracts pooled and divided the business so that the Tide Water pipe lines and the refineries connected with it were to do 11½ per cent of the business, and the Standard's pipe lines and the refineries connected with it 88½ per cent of the business?—A. I remember the fact of the contracts. I could not from memory testify as to the terms.

Q. Do you remember, in a general way, that there was a division of business?—A. I do; yes.

Q. You have continued your ownership of stock in the Tide Water from that day to this?—A. Yes.

Q. Shortly after that contract was entered into the Tide Water completed its line to the seaboard, didn't it?—A. I don't know. As I say, I don't recall in what year they did complete their line.

Q. Since that time your company has marketed substantially all the products of the Tide Water Pipe?—A. We have had marketing relations with them in connection with the products.

Q. And their business has remained, as to amount of business, substantially the same as it always has been?—A. That I could not say.

Q. They have not increased their business any, have they?—
12901 A. I do not know, I am sure.

Q. And they do not sell their products in competition with your company?—A. That I do not know either.

Q. You don't know about that?—A. No. I think in the foreign trade we have marketing relations with them. I do not know so well about the domestic.

Q. Don't you market all of their foreign oil and 95 per cent of the small amount that they market in this country?—A. I could not testify as to the exact quantities—exact percentages.

Q. You know that you do have marketing relations?—A. We do; yes.

Q. And that they are practically not doing business in competition with your companies. You understand that, don't you?—A. Oh, I would not say that.

Q. You would not?—A. No.

Q. Where do they compete with your companies?—A. That I do not know. I am not familiar with such domestic business as they may have.

Q. Under the head of "Competitive Refineries," your Exhibit 277, I understood you to produce a list of all the competitive refineries you know of, did you not?—A. I think I did; yes.

Q. I do not see the Tide Water Company in that list.—A. They are competitive in the sense of 66 or 67 per cent of their business, of course.

Q. Well, are they? Do you know what per cent you sell of it?

Mr. ROSENTHAL. We omitted the Tide Water so that you would not cavil at that exhibit at all.

12902 Q. If you market all of their product or substantially all of it, they do not compete with you much do they?—A. They compete in the manufacture.

Q. They buy a large part of their crude oil of you, too, don't they?—A. They buy some part of it; I don't know how much.

Q. But you market the products?—A. We market their export.

Q. The only competition, then, is what they make out of their manufacturing?—A. Their manufacturing, yes.

Q. They can not compete much as long as you sell the products, can they?—A. Well, the transportion and the manufacture are the important parts of the business, of course.

Q. Do you know that prior to the time you acquired this 31 per cent of the stock the Standard Oil interests made a proposition to Mr. Lombard to buy out the pipe lines and refineries connected with it?—A. I remember there was at one time a discussion with Mr. Lombard, but it came to nothing. Nothing was ever done under it.

Q. Did you make him a proposition of a million dollars for the refineries and five million dollars for the refineries and all properties connected?—A. I am not sure that any definite proposition was made. There was some general talk about the matter in one interview; but it came, as I say, to nothing.

Q. Were you present at that interview?—A. I was.

Q. And Mr. John D. Rockefeller?—A. I think he was.

Q. Mr. Lombard was also present?—A. I think he was. Yes, he was.

Q. He declined the proposition, did he?—A. Well, as I say,
12903 nothing resulted from it. It was purely a general discussion of the question.

Q. It was after that that you got possession of this 31 per cent of the stock?—A. I should say it was, although I am not sure as to the date of the Lombard interview.

Q. There were certain refineries connected with this Tide Water enterprise at that time, were there not? Let me refresh your memory—A. S. Jenny & Sons. Do you remember that?—A. I have a very indistinct recollection that there was a little refinery of that kind.

Q. Yennie & Burke?—A. Yes.

Q. Bush & Denslow Company?—A. I was not aware that the Bush & Denslow Company ever had any relations with the Tide Water Company.

Q. Gregory, McGoy & King?—A. McGoy & King.

Q. Gregory, McGoy & King.—A. I do not recall that Mr. Gregory ever had any relations with it.

Q. McGoy & King, then?—A. McGoy & King, I think, did; yes.

Q. And Gregory?—A. I don't think Gregory did.

Q. Wilson & Anderson?—A. I don't recollect that they ever had any relations with the Tide Water, any of them.

Q. Some of those companies had relations with the Tide Water?—A. None, as I recall it, except McGoy & King.

Q. They all had refineries here at the seaboard, hadn't they?—A. They had small refineries here at the seaboard.

Q. Were they not connected with that enterprise, contemplating getting their oil through the Tide Water line?—A. I have no recollection of it.

Q. Did your company but them out?—A. We did.

12904 Q. About that time?—A. I don't know when as to time.

Q. About 1879 or 1880?—A. I could not fix the dates from memory.

Q. But you remember buying them out?—A. Yes.

Q. At that time the Tide Water line, at the time you bought these refineries, was partly constructed to Williamsport, wasn't it?—A. I could not say as to the date of the purchase of these refineries.

Q. You have no recollection?—A. No definite recollection. It is a long time ago.

Q. Why did you want to get control of the Tide Water Company?

Mr. ROSENTHAL. I object to that. It does not appear that they did.

Q. Well, did you?—A. I have no recollection of any special desire. In those days we were seeking to extend our business wherever we could.

Q. Buying out all the competitors you could find?—A. Where it could be done on a fair basis, and where it seemed to promise an extension of business with a favorable outlook.

Q. Now, these refineries that I named at the seaboard that you bought, how long did you operate them?—A. Probably the most of them but a very short period, for they were very inconsiderable affairs.

Q. Dismantled them, didn't you?—A. We consolidated them with the larger works.

Q. What do you mean by consolidated? You tore them down, didn't you, and used the material?—A. We utilized that part of the construction which was worth saving and added it to the
12905 larger works, consolidating, concentrating, and economizing. That was the theory of the business.

Q. You mean you dismantled them, tore them down, didn't you?

Mr. ROSENTHAL. He means just what he says.

Q. Did you do that?—A. I mean just what I say.

Q. Did you dismantle them?—A. I mean that we took the parts of them that were available for use and consolidated them with the larger works, as a matter of economy.

Q. What did you do with the rest of the material?—A. The rest of the material that was not fit for use we disposed of, I suppose, in the best way possible.

Q. Isn't that what you would call dismantling a refinery?—A. Hardly dismantling; it is consolidating.

Q. Tearing down and putting some of the material into another?—A. I should think that the bringing together into a large and thoroughly well equipped works the small and inconsiderable plants of those days was essentially a consolidation.

Q. And you consider an economical way to construct a refinery is to buy up a lot of little refineries and use the old material to make new ones?—A. Our purpose in buying the little refineries was to succeed to their volume of business.

Q. That is what I thought—to get their business.—A. To succeed to their volume of business.

Q. Now what is the one other pipe line reaching the seaboard outside of the Standard's?—A. The other one now?

Q. Yes.—A. Do you mean now?

Q. Yes.—A. The United States Pipe Line.

Q. What other ones have been constructed to the sea-
12906 board?—A. The United States Pipe Line is the only one with the exception of the Crescent Line.

Q. That is, outside of the Tide Water and your lines there were two other lines built to the seaboard?—A. Yes, sir.

Q. The Crescent line was built to the seaboard, was it?—A. It was.

Q. When?—A. I should say it was completed in the early nineties.

Q. Completed about 1891, '92, or '93?—A. Yes, along there, 1891 or '92; 1892 perhaps.

Q. That reached tide water at Philadelphia, did it?—A. At Marcus Hook, near Philadelphia.

Q. Near Philadelphia, from the oil regions of western Pennsylvania?—A. Yes, sir.

Q. Was it connected with a refinery at Marcus Hook?—A. A refinery was projected there. I don't think it was constructed.

Q. Partially constructed?—A. Partially constructed perhaps.

Q. What was the name of that refinery?—A. I do not remember any name, distinct from the Crescent line.

Q. Who were building it?—A. The Mellens of Pittsburg.

Q. The Mellens of Pittsburg, the same men who built the pipe line?—A. Yes, sir.

Q. They had local collecting lines, had they not, in western Pennsylvania?—A. I think they had.

Q. And in West Virginia?—A. I am not sure that they extended over into West Virginia. They might have done so.

Q. Those were called the Mellen lines, were they not?—
12907 A. Yes.

Q. The collecting lines?—A. I think they were.

Q. The Crescent line, about which you testified the other day, had how many miles—357 miles?—A. I am not sure about that.

Mr. ROSENTHAL. 271.

Q. 271 miles?—A. Yes, 271 miles.

Q. That did not include the collecting lines, did it, the gathering lines?—A. I think the gathering lines were bought at the same time.

Q. How many miles of gathering lines did they have?—A. That I could not say.

Q. They had quite a large gathering system in western Pennsylvania and West Virginia, hadn't they?—A. A considerable gathering system.

Q. I do not mean large as compared with the Standard's, but quite a good size.—A. Large enough, I should say, for the supply of the line.

Q. It was by all odds the largest competitor in the pipe-line business which you had at that time, wasn't it?—A. It was, with the exception of the Tide Water.

Q. And was projecting a refinery at the seaboard?—A. Yes, sir.

Q. Now, you bought that, did you?—A. We did.

Q. And bought the gathering lines?—A. We did.

Q. What did you do with the gathering lines?—A. The gathering lines, I imagine, were consolidated and made part of our
12908 gathering system, or continued to gather the oil for the Crescent Line more probably.

Q. Then, you were mistaken when you said the other day that the 271 miles were all the mileage of pipe line that you had there that had not been constructed?—A. I supposed that referred to trunk lines.

Q. Oh, trunk lines?—A. Yes.

Q. Then, you did buy quite a large mileage of gathering lines?—A. Local gathering lines.

Q. You don't know how big a mileage that is?—A. No, I do not know.

Q. What was the next pipe line projected from western Pennsylvania to the seaboard?—A. I suppose the next was the United States Pipe Line.

Q. That was projected to reach New York Harbor, wasn't it?—A. I do not know. I was not familiar with its scheme of projection.

Q. Where does it run—from western Pennsylvania to Marcus Hook?—A. It runs from western Pennsylvania to Marcus Hook.

Q. It has quite a good-sized collecting system connected with that line, hasn't it; gathering line?—A. I suppose it has.

Q. Under the name of the Producers & Refiners' Oil Company (Limited)?—A. I believe that is the name; yes.

Q. Did you make any attempts to get control of that line?—A. I do not recall any special attempt.

Q. Did you buy some stock in it?—A. We did.

Q. What for?—A. Well, as an investment and for the purpose of being in the way of knowing what was being done.

Q. Are you in the habit of investing in the pipe lines of 12909 other concerns as an investment merely?—A. We did so in the case of the Tide Water.

Q. Did you think it would be a profitable investment?—A. We hoped it would be.

Q. Has it been?—A. Not very.

Q. You also say in order to know—what was your answer? in order to——A. In order to know generally about the business and its progress.

Q. That is, you wanted to keep track of their business?—A. We wanted to know what was being done, of course.

Q. And you thought the best way was to buy stock in it?—A. That was one way, and to give us a right as shareholders to know what was being done.

Q. Did you buy some stock in the Producers & Refiners Company?—A. My impressions are that there was a small purchase of such stock.

Q. Wasn't it a majority of the stock?—A. Oh, in the Producers & Refiners? Possibly at one time we did own as much as a majority.

Q. Yes. You turned that stock over to Mr. Carter, didn't you?—A. We sold it to Mr. Carter.

Q. And Mr. Carter undertook to get control of the company, didn't he?—A. I don't know what Mr. Carter did.

Q. Isn't it a fact that you owned the stock all the time it was in Carter's name?—A. It is not.

Q. What did you take in payment for it?—A. We took money, as I recall it.

Q. Where did he get the money?—A. I don't know.

12910 Q. Didn't he borrow it of the Standard Oil people?—A. I don't know; I should say not; I should think not.

Q. He had some litigation to get possession of the company, hadn't he?—A. There was litigation, but what the nature of it was or anything about it, I am not familiar.

Q. He failed in that litigation, didn't he?—A. I do not know as to his failure.

Q. After his failure he sold the stock back to you, didn't he?—A. I do not recall that he did.

Q. Or part of it?—A. I don't recall it.

Q. And don't you own it to this day?—A. We own some little stock up to this day, but I don't think it is the Carter stock.

Q. You own $400,000 of the stock out of $1,193,000 total capital of the United States Pipe Line, do you not?—A. I am not sure of the exact figures.

Q. About 35 per cent?—A. We own, yes.

Mr. ROSENTHAL. Whatever the record shows in this case?—A. Whatever the record shows I suppose is accurate.

Mr. KELLOGG. I just wanted to call his attention to it.

Q. Did you try to buy any more of it?—A. I think we did not.

Q. They put it in a voting trust so you could not, didn't they?—A. They have had a voting trust of the closest character.

Q. Who was Mr. Carter?—A. Col. Carter was a very large oil producer in the earlier days in the oil region.

Q. In western Pennsylvania?—A. Western Pennsylvania.

12911 Q. Did he organize the Carter Oil Company?—A. He did, in conjunction with the Standard Oil interests.

Q. And he was interested with the Standard Oil in that?—A. He was; yes.

Q. His business was in connection with Standard Oil companies, wasn't it?—A. His business was in connection with the producing business in western Virginia, in which the Standard Oil were interested.

Q. And during the time he had this stock in the Producers & Refiners Oil Company (Limited), or the Producers Oil Company, he was connected with your enterprises?—A. He was, but he had been all the time a stockholder in that company, a personal stockholder.

Q. Do you know that the stock of the United States Pipe Line was put in a trust about the time you got this 35 per cent?—A. I am not—I know that there was such a trust, or I had heard of it, but I do not know as to the dates.

Q. You testified before the Industrial Commission about that trust, didn't you?—A. I think I did.

Q. And said that it was a monopoly and a trust, didn't you?—A. I think I did.

Q. You had it pretty clearly in mind then, hadn't you?—A. I think I did.

Q. And it was organized to prevent your company getting control, wasn't it?—A. I don't know what the purpose was. I think it was a pure and unadulterated restrictive trust.

Q. That is, restrictive as to the Standard Oil?—A. Restrictive as to the distribution of the stock or as to its being placed upon the market, or as to their operations as a whole.

12912 Q. That is the only pipe line reaching the Atlantic seaboard, and the gathering system connected with it is the only gathering system in competition with the Standard Oil Company in this country, isn't it?—A. Oh, no, there are other gathering systems.

Q. I mean in connection with a line reaching the seaboard?—A. That and the Tide Water.

Q. Well, the Tide Water does not seem to be very lively in its competition, does it?—A. I think they are the strongest competition that there is, by all means.

Q. Now, about the refinery connected with the Crescent, which was projected or partly constructed, how near completion was that?—A. I could not say as to the progress that had been made toward the construction of the refinery. We afterward completed it.

Q. You afterward completed it?—A. Yes.

Q. You don't remember what——A. I don't remember the condition it was in at the time of the acquisition.

Q. Was it connected with any refinery at the seaboard, this pipe line?—A. I don't think so.

Q. Was it furnishing crude oil to any other concern?—A. I don't think it was.

Q. Now, as I understand you to say, the Standard Oil interests in an early day acquired some pipe lines in western Pennsylvania. The American was one of them, I think.—A. The American Transfer Company.

Q. The United Pipe Line was another?—A. Yes, sir.

Q. Who constructed the early pipe lines in that country?—

12913 A. They were built by a great number of people; the different lines that went finally to make up the United Pipe lines were built by a number of people; principally, however, by Capt. Vandergrift and his associates.

Q. The Standard Oil Company did not start the pipe line systems of western Pennsylvania?—A. They were not the originators of the system; no.

Q. And it was many years after such pipe lines had been in operation before they acquired them?—A. The little pipe lines had been in operation for a considerable period before they became related.

Q. You say the Standard interests bought stock in the American Transfer Company?—A. They bought the American Transfer Company; yes.

Q. That was quite a large system of gathering lines in western Pennsylvania, wasn't it?—A. It was; yes.

Q. And the largest, wasn't it?

Mr. ROSENTHAL. It was quite a large system when—when the Standard bought it?

Mr. KELLOGG. At that time, yes; when the Standard bought it.

WITNESS. Well, it was considerable for those days.

Q. That is what I mean. I don't mean compared with to-day, but at that time.—A. At that time; yes.

Q. At that time it was the largest in western Pennsylvania, wasn't it?—A. Well, I should think it might be the largest individual——

Q. About when was that purchased?

12914 Mr. ROSENTHAL. I object to that. Mr. Archbold has not undertaken——

WITNESS. That was before my time.

Mr. ROSENTHAL. Wait a minute. Mr. Archbold was not examined about that upon direct; has not testified to the original purchase of the American Transfer Company; has not as yet pretended to know anything about that original purchase. That was testified to by Mr. Rockefeller.

Mr. KELLOGG. My recollection is that Mr. Archbold did testify that they bought stock in the American and in the United States.

Mr. ROSENTHAL. No; Mr. Archbold testified that in 1881 the stocks of those two companies were consolidated in the National Transit Company, and he began there, Mr. Kellogg, or substantially there; that is, the original purchase in the American Transfer Company, as testified to by Mr. Rockefeller, was in 1872 or 1873, some years before Mr. Archbold became connected with the Standard organization.

Mr. KELLOGG. I will ask him about some other ones.

Q. The Standard interests afterward acquired stock in the Union Pipe Line, did they not?—A. They did.

Q. That was quite a considerable line in western Pennsylvania connected with the Empire Transportation Company, was it not?—A. Well, yes.

Q. Where were its pipe lines?—A. In Butler County and possibly some in Clarion County.

Q. Did the Standard also buy up the Antwerp Pipe Line Company?

12915 Mr. ROSENTHAL. I object to that, because it enters upon a subject-matter not touched upon by the direct examination.

Mr. KELLOGG. You may have the same objection and stipulation as to all of these in relation to which he has not been examined.

Mr. ROSENTHAL. Very well.

A. I have no distinct recollection as to the Antwerp.

Q. You don't remember the Antwerp?—A. No.

Q. Do you remember the Oil City Pipe Company?—A. No, I do not, unless it was part of the Vandergrift. I do not remember it by name.

Q. Do you remember the Grant Pipe Line Company?—A. I remember it by name.

Q. That was acquired by Standard interests, was it not?—A. Possibly so. I don't recall.

Q. The Karns Pipe Line?—A. I make the same answer, possibly so.

Q. Do you remember the Relief Pipe Line Company?—A. I remember the name.

Q. Was that acquired by Standard interests?—A. It may have been. I did not have to do with it.

Q. The Pennsylvania Transportation Company?—A. I remember it very well.

Q. Was that acquired by Standard interests?—A. It may have been; probably some part of the United Pipe Line?

Q. The Sandy Pipe Line and Milton Pipe Line?—A. I should make the same answer as to that.

12916 Q. Now the Columbia Conduit Company, do you remember that?—A. I remember about it.

Q. Do you know that the Standard interests acquired stock in that?—A. I believe they did.

Q. Do you remember when?—A. I could not say as to the exact date. It is a matter of record. I could find it.

Q. Now you say that about 1881 the Standard Oil interests organized the National Transit Company?—A. Yes, sir.

Q. Did the National Transit Company take over the stock of these various other companies?—A. I believe it did.

Q. It took over the stock of the American Transfer Company?—A. The American Transfer Company.

Q. And the United Pipe Lines?—A. The United Pipe Lines.

Q. And all the other lines that Standard interests had acquired stock in?—A. I think it did.

Q. It also acquired the stock in other pipe lines, didn't it?—A. It may have done so. I do not recall.

Q. Do you remember the Pittsburg Pipe Line, bought of Holdship & Irwin in 1886?—A. It may have been. I have forgotten.

Q. You don't remember that?—A. No.

Q. Do you remember the purchase of the refineries of Mr. Reighart?—A. I have an indistinct recollection of the matter, yes.

Q. Called the Empire Refining Company or Empire Oil Works?—A. In New York?

Q. No.—A. Pittsburg?

Q. Pennsylvania.—A. I had forgotten the name. It may have been.

Q. You remember Mr. Reighart?—A. I do.

Q. You remember the purchase of his refinery?—A. Yes, I do.

Q. At the same time do you remember purchasing the Pittsburg pipe line?—A. I do not remember.

Q. Or stock in it?—A. I would not have had to do personally with the purchase, and I do not recall about it.

12917 Q. You knew Mr. Reighard, didn't you?—A. I knew him; yes.

Q. Do you remember that he had a conversation with you at the time you bought out the refineries of Holdship & Irwin, or the pipe line interest, rather, of Holdship & Irwin?—A. I do not recall it. It is possible that there was such a conversation.

Q. You remember the pipe line, do you?—A. I do not.

Q. You do not remember it?—A. I do not. I may have known about it at the time, but I do not recall about it.

Q. Well, the Western Atlantic Pipe Line, affiliated with the Globe Refining Company—you remember that, don't you?—A. I remember that there was such a line; I don't remember very distinctly now.

Q. Where was the Globe refinery?—A. I think the Globe refinery was projected in Philadelphia, if I remember rightly.

Q. I notice in the exhibit which you put in evidence (272) the Globe Refining Company refinery at Pittsburg is listed, and Globe Refining Company, a refinery at Philadelphia, is listed. Do you remember the purchase of those interests?—A. It is very vague. If I had the names of the parties it might refresh my mind.

Q. I see those refineries listed in Exhibit 272, which you testified to yesterday [handing witness defendants' Exhibit 272].

Mr. ROSENTHAL. What is the question in connection with it, Mr. Kellogg?

Mr. KELLOGG. Well, I will repeat it.

12918 Q. Do you recollect the purchase of those stock interests?—A. I think I was connected with the purchase of those properties. It has gone from my mind.

Q. You negotiated for that yourself, didn't you?—A. I think I joined in it.

Q. Did you not pay in trust certificates $1,224,800 for the Globe Refining Company stock?—A. I could not tell without reference to the records as to what was paid.

Q. Well, I show you petitioner's Exhibit 250, page 3, showing for what the trustees' certificates——

Mr. ROSENTHAL. That is an entry taken from the trustees' ledger?

Mr. KELLOGG. Yes, sir.

Mr. ROSENTHAL. Well, it may go as correct.

Q. (Continuing.) To be $1,224,800 in trust certificates?—A. If this is a correct transcript of the records, I have no doubt it is correct.

Q. Well, your recollection is that it was a very large plant?—A. It was a large plant, yes.

Q. And had a refinery at Philadelphia and at Pittsburg?—A. The refinery at Philadelphia I do not think was fully constructed.

Q. Well, partially constructed?—A. I think it was partially constructed.

Q. And the one at Pittsburg was fully constructed?—A. I think it was fully constructed; I don't recall distinctly as to that. Then, there was a pipe line interest besides.

Q. The pipe line was the Western Atlantic Pipe Line,
12919 wasn't it?—A. The Western Atlantic Pipe Line; yes.

Q. That was quite an important pipe line, wasn't it?—A. Well, important in a sense; as a gathering line, more particularly.

Q. You got the stock of that line, didn't you?—A. I judge we did.

Q. And the stock of the refineries?—A. Yes, sir.

Q. For which you paid one million two hundred and how many thousand in trust certificates?—A. It is stated here $1,224,800.

Q. What was that date?—A. That was in 1890, according to this record.

Q. What is that?—A. In 1890, according to this showing.

Mr. ROSENTHAL. February 6, 1890.

Q. Trust certificates were worth a great deal more than par at that time, weren't they?—A. I imagine they were. I suppose this to be the cash value of whatever certificates were given.

Q. No, that was par value, one million—let me look and be sure of that?—A. I don't know about that; I do not know without reference.

Q. That is par value, yes: $1,224,800. You don't remember what the certificates were worth at that time?—A. No, I do not.

Q. Well, now, it was quite a large gathering line, wasn't it?—A. It was a considerable line.

Q. How many barrels a year did it produce, or run?—A. I couldn't say without looking it up.

Q. I notice by the Geological Survey statistics of 1900, giv-
12920 ing the years 1888 to 1900, that the Western Atlantic in 1890 ran 3,109,477 barrels. Does that refresh your memory?—A. I could not say from memory.

Q. Well, if they ran that amount it was quite a large gathering system?—A. Oh, yes.

Q. Well, the stock of that went into the hands of the trustees, did it?—A. I suppose it did; yes.

Q. What became of the Western Atlantic?—A. I imagine it became a part of the general system in the oil regions.

Q. What became of the refineries?—A. The Pittsburg refinery, I don't know as to the history of that. The Philadelphia plant was never completed.

Q. Never completed that?—A. Whatever material there was there was used at our other large works in Philadelphia.

Q. The Pittsburg plant was never operated, was it?—A. I do not know as to that.

Q. It was dismantled, wasn't it?—A. I could not say. Perhaps this will enable me to say. The works were consolidated with the Standard Oil Works at Pittsburg.

Q. That is, you tore down the refinery and used the material, did you?—A. I do not know whether it was contiguous so it could be used as a part of the other plant or not.

Q. As a matter of fact, it was torn down, dismantled, immediately after your purchase?—A. I could not say as to that. I imagine it was utilized to the very best possible advantage.

Q. Quite so. But were you paying one million two hundred and some thousand dollars in trust certificates for a refinery simply to use the old material?—A. We were not paying that sum of money or any sum of money simply for the fun of tearing down the refinery; no.

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Q. You were paying it to get it out of the way as a competitor, weren't you?—A. We were paying it in order to utilize it in connection with our other plants for the economical doing of the business as a whole, and to succeed to its volume of business.

Q. To succeed to its volume of business?—A. Yes, sir.

Q. It was the largest competitor you had at that time, wasn't it?—A. Well, I could not say as to that; I do not know.

Q. Do you remember the Craig, Elkins & Kimball pipe line?—A. I don't remember it by that name. It may have been the Craig line. I remember the Craig line, as it was called.

Q. Where was that situated?—A. That was a gathering line, I think, in Pennsylvania, possibly extending over into West Virginia; but I am not positively sure as to that.

Q. What became of it?—A. I do not recall; I am not familiar with it.

(A short recess was here taken.)

Q. Do you remember the Craig, Elkins & Kimball line?—A. I do not remember it by that name.

Q. What name do you remember it by?—A. I have an indistinct recollection of the Craig line, so called.

Q. The Craig line?—A. Yes.

Q. Where did that run?—A. I think it was in western Pennsylvania—in the southern counties of western Pennsylvania.

Q. When did you buy it—or did you buy it?—A. I do not recall; it may have been bought, but I did not have to do with it, and I do not recall specially about it.

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Q. If you did not buy it, what became of it?—A. Well, I say it may have been bought; I do not know about it; I do not recall about it distinctly.

Q. Do you know of a single pipe line anywhere in Pennsylvania or Ohio or Indiana, of any size, that your company has not either bought or tried to buy or got some interest in?—A. The question is so complicated that it is difficult to answer.

Q. Well, do you know of any there of any size that your company has not got an interest in?—A. Oh, I think there are a number of such.

Q. Where?—A. In all the States.

Q. Well, in Pennsylvania, name one.—A. In all the States.

Q. Name one in Pennsylvania.—A. There are a number in the Warren district, and I think there are other lines in the Pennsylvania district.

Q. What are they?—A. The names of them I will get for you.

Q. Small gathering lines, aren't they?—A. They are gathering lines.

Q. Very small?—A. Not very small. They are not very large and not very small. The same is true in Ohio, and the same is true in Indiana.

Q. Well, can you name any?—A. Oh, yes. The Paragon line is a very considerable line in Ohio.

Q. How much of a line is it?—A. I could not state as to its capacity, but it does considerable business. And the National

12923 Oil Company line is a considerable line in Ohio. I could not give the volume of its business. And there is one or two new lines in Indiana that do a considerable business.

Q. Well, not one of those anywhere is nearly as big as the Manhattan or the Western Atlantic, is it?—A. Well, I do not know as to the capacity of the Manhattan or the Western Atlantic.

Q. Now, the control of pipe lines to the seaboard is very important in the oil industry, isn't it?

Mr. ROSENTHAL. Control of pipe lines?

Mr. KELLOGG. Yes; to the seaboard.

Mr. ROSENTHAL. Just what do you mean by that, Mr. Kellogg? Do you mean the having of a pipe line to the seaboard?

Mr. KELLOGG. Yes; the control of it, the use of it.

Q. It is very important to the oil industry, isn't it?—A. The possession of a pipe line to the seaboard is very important in the doing of an oil business.

Q. Do you know of any pipe line reaching the New York Harbor except the Standard Oil's?—A. Excepting the Tide Water.

Q. And the Tide Water, I mean?—A. There are no others; no, sir.

Q. No others?—A. There are no others.

Q. Do you know that the United States undertook for a long time to cross New Jersey, but could not—the railroad stopped them?—A. I remember something of the talk about their trying to cross New Jersey. Whether they really did or not I do not know.

Q. They never did get across, did they?—A. I do not know whether they ever really tried to.

12924 Q. You heard a great deal about their trying to?—A. I heard a great deal of talk from them first and last; yes.

Q. They didn't get there, did they?—A. They got to the seaboard.

Q. They got to Philadelphia?—A. They got to Philadelphia.

Q. They had to pull up part of their line they had laid in New Jersey and go into Philadelphia, didn't they?—A. Well, I don't know whether they did or not.

Q. The Tide Water didn't get here until after you got an interest in it, did they?—A. I could not say as to the date.

Q. Did you have any trouble in building your line to the seaboard?—A. We have had a great deal of trouble with building our line to the seaboard.

Q. Did you have any trouble getting over railroad rights of way?—A. We never did it except by amicable negotiation.

Q. That is, all your arrangements in getting over railroads and across the railroads were amicable?—A. I think as a rule and almost

entirely they were amicable arrangements. We did not try to force our way over other people's property.

Q. Do you know that the other people did not try to make amicable arrangements?—A. I do not know anything about them.

Q. Didn't they try to and fail?—A. I could not say.

Q. Didn't you build your line along the right of way for many miles?—A. We may have occupied railroad rights of way under contract agreement with them; I could not say how much.

Q. Did you ever pay them anything for the right of way?—A. We undoubtedly did.

Q. Do you know you did?—A. I know we did.

Q. Where you crossed them, did you?—A. Undoubtedly
12925 where we crossed them also.

Q. The Prairie Oil & Gas line is laid most of the way, isn't it, on the railroad right of way?—A. A very considerable distance, under contract entered into with the road giving the privilege.

Q. Most of the way from Oklahoma to Chicago?—A. I don't know how far.

Q. On the right of way of railroads?—A. I do not know what distance on the line, but for some distance.

Q. Do you know of any of these other lines that have been able to get along the rights of way of railroads?—A. I do not know anything about the business of other lines.

Q. You testified, I believe, to the acquisition by Standard Oil interests of a large number of refineries, or companies having refineries, in various places on the seaboard and Pennsylvania, yesterday, didn't you?—A. I did.

Q. The Standard Oil interests have, from time to time, purchased a large number of refineries in Pennsylvania, and dismantled them, have they not?—A. The Standard Oil interests have purchased, from time to time, a large number of refineries in Pennsylvania, the material in which they have consolidated with their larger works at advantageous points for the development and promotion of the business.

Q. How many such refineries have you purchased and dismantled?—A. I could not say.

Mr. ROSENTHAL. I object to the question on the ground that Mr. Archbold has not testified that they were dismantled. The objection is that it assumes that Mr. Archbold has testified that these
12926 refineries were dismantled. He has testified to nothing of the kind.

Mr. KELLOGG. Well, I will see whether he has or not.

Mr. ROSENTHAL. And you keep insisting on using the word "dismantled" in your questions, and it is not fair to the witness, in the light of what his testimony is.

Mr. KELLOGG. I do not want to be unfair to the witness.

Q. Did you testify before the committee of manufactures of the 50th Congress on April 28, 1888?—A. I think I did.

Q. Did you there testify to the following facts: "Q. Is it not a fact that you have a great many idle refineries that you have left idle?—A. No, sir; we have not a great many idle refineries. Q. How many have you, or have you dismantled?—A. There have been in the history of the business, beginning from the start, a great many of the original little concerns dismantled. Q. Dismantled after purchase by you?—A. After purchase by us. Q. How many of those, do you suppose?—A. I can not state. Q. Fifty?—A. Possibly, in the aggregate, fifty."

Mr. ROSENTHAL. Well, now, read all of his statement in that regard.

Q. (Reading) "The whole capital of which has been paid, except to the extent that the material would answer as junk?—A. Such parts of the material as were available for the business were used."

Mr. ROSENTHAL. And that which went before.

Mr. KELLOGG. Well, I will read that, if you wish.

Q. First, did you testify to that?—A. If it is so recorded. I have no recollection of it.

Q. Well, now, did you buy and dismantle 50 refineries?—
12927 A. We may have bought 50 refineries, and we may have dismantled them in the sense that I have now described of consolidation and utilization.

Q. Do you think it is economical in the construction of a refinery to buy up a lot of old refineries and use the second-hand material?—A. The prime purpose in the purchase of the small refinery was to succeed to its volume of business.

Q. Get it out of the way?—A. Such utilization as could be made of the property itself and of the people engaged in its management we were glad to utilize in those days.

Q. You got them out of the way in that way, didn't you?—A. We brought them into cooperation with us in the development of the business, on a better basis as to construction and location.

Mr. ROSENTHAL. You mean the refineries.

WITNESS. I mean the refineries.

Q. Do you now recollect that up to 1888 you had purchased and dismantled 50 refineries?—A. I could not testify as to the number.

Q. What is your best opinion?—A. It may possibly have been 50; it may have been less.

Q. Wasn't it a good many more than that?—A. It may have been more, possibly; I couldn't say. There were a number, as I have already testified, a large number of those little inconsiderable works created in the early days of the region that had to give way in the progress of the business.

Q. Well, were they all inconsiderable?—A. Many of them were inconsiderable.

12928 Q. A great many of them were large, were they not, for that period?—A. A very few of them were large.

Q. After 1888 you bought a good many and dismantled them, didn't you?—A. Well, I could not recall except as to the special instance.

Q. Well, you have just mentioned the Globe, which was 1889 and 1890?—A. Well, I think the Globe works at Pittsburg was operated with and consolidated with the Standard works at Pittsburg.

Q. Torn down, wasn't it?—A. I could not testify as to that; I should think not.

Q. Is it in existence now—the building?—A. It probably is in existence now, although I am not sure as to that. Of course that original construction must have been worn out before this.

Q. The Manhattan, I believe you said you bought their refineries about 1900, at Galatea, Ohio; that you dismantled, didn't you?—A. We took that and consolidated with the works at Lima, doing away with the extra expense of the one organization.

Q. You tore down the refinery and built another at Lima, didn't you?—A. No, we already had one at Lima and we consolidated this with it.

Q. You didn't move it there bodily?—A. Yes, we moved it there practically bodily.

Q. You tore it down, didn't you?—A. Well, to whatever extent was necessary for the removal. It was a matter of economy to do that rather than to keep the little separate organization

12929 at Galatea.

Q. Do you remember the Argand refinery at Marietta, Ohio?—A. I remember that there was a small refinery. I remember that there was such a refinery.

Q. You leased that first, didn't you?—A. I am rather of the impression that we did; I don't remember distinctly about that.

Q. You paid the owners ten or twelve thousand dollars a year salary to run it, didn't you?—A. Possibly so, or for its——

Q. Two of them?—A. Yes.

Mr. ROSENTHAL. Well, let him finish, please.

Mr. KELLOGG. All right.

A. I don't remember distinctly the terms; I should think possibly that.

Q. Isn't it a fact that you ceased to operate the refinery and paid them their salaries just the same?—A. I think with the understanding that they were to take their supply of refined oil from us. That is my recollection.

Q. In other words, you leased the refinery and closed it down, is that right?—A. It was recognized that the refinery could not be run economically, and the trade was made with them.

Q. Why did you buy it if it could not be run economically?—A. We bought it to succeed to its volume of business.

Q. And you closed the refinery and paid the managers ten thousand or twelve thousand—which was it—apiece?—A. I could not say from memory what the compensation was.

Q. How long did you pay that compensation—while the

12930 refinery remained closed?—A. That I do not remember.

Q. Have you ever operated it since?—A. Never operated it, as I recall it.

Q. What became of it?—A. The same disposition was made of it as I have described in other such similar cases.

Q. Tore it down?—A. It was not a works that could be run economically.

Q. Hadn't the partners made a profit of $35,000 a year out of it up to the time you bought it?—A. I don't know, I am sure.

Q. Well, do you know they hadn't?—A. I do not know they hadn't. I should think it very unlikely, or they would hardly shut it down and take a salary of ten thousand dollars; it does not seem very probable.

Q. You bought it afterwards, didn't you?—A. We bought it, yes.

Q. You bought it absolutely, didn't you, afterwards?—A. We did.

Q. What did you pay them for it?—A. I have not the price in mind, but no very considerable sum.

Q. Several hundred thousand dollars?—A. Oh, my, no; I shouldn't think so.

Q. $200,000 of capital, and you bought the capital, didn't you?—A. I can find what the consideration was, but I should think it very much less than that.

Q. Well, you don't know that they didn't make it pay, do you?—A. I only infer from the general knowledge of the affair.

Q. What became of the building?—A. I imagine that such parts of it were utilized, probably, at the Parkersburg works, as could be utilized, but I think it was an old and poor construction and could not be economically run.

12931 Q. And so you bought it. Well, now, the Republic Oil Company you said was not organized by the Standard. I notice in your Exhibit 273 you say it was organized by the Standard of New Jersey in 1901. Which is correct—the exhibit or your recollection, Mr. Archbold?—A. I could not say positively without inquiry. I expect the exhibit is correct; I do not know.

Q. It was organized to take over the property of Scofield, Shurmer & Teagle, wasn't it?—A. Possibly so, and they may have used the name as a trade-mark before. I am not familiar with it.

Q. Is it not a fact that it was organized by some clerks in your office and that the name of no Standard official appeared in the organization?—A. I have no knowledge as to the names used in its organization.

Q. Is it not a fact that for years afterwards it was held out by you as an independent company and not owned by the Standard?—A. I have no knowledge of there ever having been any effort to conceal its ownership.

Q. You have no knowledge of its ownership being advertised, have you?—A. I do not know as to that. I did not have to do with that department of the business.

Q. Can you name any other refineries that you have purchased? Do you remember the Union Refining Company, of Titusville?—A. I do not remember it by that name.

Q. The combination of three different refineries—the Western Refining Company, the National Refining Company, and the Schwartz Refining Company?—A. I remember the National and Schwartz; yes.

12932 Q. Did you buy the Union?—A. I have forgotten the name of the Union. I do not know who it was. Perhaps if the name of the individual was given me I would know.

Q. Did you buy the National and the Schwartz?—A. I think we did.

Q. And the Western Refining Company?—A. I do not remember the Western by that name.

Q. When was that?—A. I do not member the year. I can discover it.

Q. About 1895, wasn't it?—A. I should think it was along in the nineties.

Q. Do you remember the International refinery bought about the same time from S. Y. Ramage?—A. Oh, yes; I do.

Q. These refineries were all situated where—Titusville?—A. Titusville, and I think the Ramage refinery was at Reno, Pennsylvania.

Q. The Mutual Oil Works also, do you remember, at Reno?—A. Well, I do not remember it by that name. Perhaps so—that may have been Ramage also.

Q. These refineries that you say you bought about 1895—is that the time?—A. If it was the time. I can discover; I can find as to the date.

Q. They were manufacturing petroleum and selling it in competition with your companies at the time, weren't they?—A. They were.

Q. And you bought those refineries?—A. We did.

Q. What did you do with them?

Mr. ROSENTHAL. The same objection as to the Ramage

12933 purchases and the purchases of 1895 as heretofore made?

Mr. KELLOGG. Yes; the same stipulation.

Q. What did you do with them?—A. We did the same with them that I have described with reference to other works of a similar class.

Q. Did you tear them down?—A. We utilized such parts of them as were available for use at the large works, and disposed of the remainder to the best advantage possible.

Q. Where did you use this material of these refineries?—A. I imagine that material was used at Franklin, probably.

Q. Do you know?—A. I am not sure as to that, no.

Q. Well, they disappeared, the refineries, didn't they?—A. The refineries were discontinued.

Q. Do you remember the Climax Oil Company at Titusville?—A. I do not remember it by that name.

Q. I notice in the balance sheet of the Atlantic Refining Company, petitioner's Exhibit 272B, of December 21, 1899, the Climax Oil Company appears at Titusville. Do you remember that?—A. I do not remember it distinctly. It may have been the Caldwell, possibly.

Q. Did you buy it?—A. I think it was bought.

Q. What became of it?—A. I think the same answer would apply to the Climax as to the others. They were not a class of construction which could be successfully operated as against the large refineries of modern times.

Q. What did you buy it for, then?—A. To succeed to their volume of business.

Q. The Relief Oil Works of Franklin?—A. Relief? No.

12934 Q. June 30, 1900, it appears in the balance sheet of the Atlantic.—A. I have forgotten, if that is the name. I could not recognize the name, because names do not mean much to me.

Q. If it appears there, you bought it, didn't you?—A. I do not remember; I couldn't testify to it.

Q. Ellis & Cummings Refining Company, Pennsylvania, which appears in the balance sheet of December 31, 1901.—A. Where was it located?

Q. I don't know.—A. Well, I don't. I don't remember.

Q. I am not supposed to know, even, anything about this.—A. I guess they brought it with them.

Q. Well, Oil Creek refinery; do you remember that?—A. Not by that name.

Q. Isn't that the one you got from the Manhattan Oil Company?—A. I don't know, I am sure. I don't remember it by the name.

Q. Leader Refining Company, Taylorstown?—A. I do not remember it.

Q. Logan, Emery & Weaver, Philadelphia?—A. Yes; there was a trade with the Logan, Emery & Weaver.

Q. Bought them out, did you?—A. We did.

Q. In 1887?—A. Yes, sir.

Q. What became of that refinery?—A. I could not answer definitely. I imagine it was consolidated with the Philadelphia works.

Q. Dismantled? Taken down?—A. Utilized to the utmost.

Q. That is, to the utmost you could utilize the old material?—A. Certainly, yes.

Q. Well, the Eagle Refining Company, do you remember that?—A. The Eagle?

Q. The Eagle, in Ohio.—A. I do not; I do not remember that.

12935 Q. Mr. Archbold, whenever any refineries or any branch of the oil business has been purchased, there is a record of it somewhere, isn't there?—A. There has been. Whether it survives or not I couldn't say.

Q. It will appear either in the books of the Standard of New Jersey or some of the subcompanies?—A. It did at some time, of course.

Q. Or the Standard Oil trustees?—A. Yes.

Q. Now, I notice you gave a list of companies which were on July 1, 1890, owned in whole or in part by Standard Oil interests (defendants' Exhibit 274), and another list of Standard Oil companies which are now either directed by the Standard Oil of New Jersey or through some subcompany. These lists do not show—any of them—the refineries, the business purchased, which have been liquidated or refineries dismantled, do they?

Mr. ROSENTHAL. A good many of them are shown there.

Mr. KELLOGG. Yes, but not all of them.

A. I suppose these were the active properties at the dates given.

Mr. ROSENTHAL. That is right.

Q. The books of the trustees show all properties acquired which were liquidated or dismantled or went out of business, do they not?—A. I could not say. Possibly they did for the period which they covered.

Q. The books of the companies owned and controlled by the trustees show the same thing, don't they?—A. I suppose they did at one time, at any rate.

Q. Many of those companies are still in existence, like the Atlantic Refining Company — Standard Oil companies?—

12936 A. Oh, yes, the companies are still in existence, but whether the books are kept forever or not I do not know.

Q. The balance sheets of the Atlantic Refining Company show quite a number of companies acquired and dismantled or liquidated?—A. Possibly so.

Q. Don't the other companies' books?—A. I should think they might.

Q. Will you please produce a list or statement of all corporations, firms, or businesses engaged in some branch of the oil business, acquired by the Standard Oil trustees or by the companies which they controlled during the life of the trust, from 1882 down to the organization of the Standard Oil in 1899?

Mr. ROSENTHAL. I shall have to object to that, upon the ground that it is not proper cross-examination, and it is not a proper request to make of a witness under cross-examination. If you want any such data as that, the way for you to get it is to get it when you come to your branch of the case, in the proper way.

Q. Please answer the question.—A. I will discuss the matter with counsel and be guided by them.

Q. Now, did you understand defendants' Exhibits 271, 272, 273, and 274 to be a complete list of all such companies and properties acquired?

Mr. ROSENTHAL. Of just what the exhibits purport to be, Mr. Kellogg.

Mr. KELLOGG. I understand they are not a complete list of all the companies acquired.

12937 A. I understand that under their various headings they are complete.

Q. But they do not purport to cover all of the properties acquired and put out of business, do they?—A. Oh, they are live properties, I take it, unless it is so differently stated.

Mr. ROSENTHAL. Just use this as a memorandum [handing a paper to the witness].

Q. As I recollect, you testified in detail about a large number of the companies which appear on the paper which you have in your

hand, and which companies are named in the trust agreement of 1882, Mr. Archbold, didn't you?—A. I did; yes.

Q. Among others was the Acme Oil Company?

Mr. ROSENTHAL. The Acme Oil Company of what?

Mr. ROSENTHAL. Of New York, and the Acme Oil Company of Pennsylvania.

Mr. ROSENTHAL. Mr. Archbold did not testify with respect to the Acme Oil Company of New York; that was covered by Mr. Rockefeller.

Q. Well, you testified in relation to the Acme Oil Company of Pennsylvania?—A. Yes.

Q. The Acme Oil Company of New York was organized by you individually, wasn't it?

Mr. ROSENTHAL. I object to that upon the ground that it is cross-examination upon a subject matter that was not touched upon by the direct examination.

Q. Please answer the question.—A. I was one of the parties to its organization.

Mr. ROSENTHAL. With respect to any questions concerning
12938 the Acme Oil Company, may the record show the same stipulation?

Mr. KELLOGG. Yes, sir.

Mr. ROSENTHAL. As was made in connection with similar objections?

Mr. KELLOGG. Yes, sir.

Q. That was the first company organized, wasn't it—in 1875?—A. The Acme Oil Company of New York?

Q. Yes.—A. It was organized in 1875; yes.

Q. What was it organized for?—A. It was organized to hold the properties of Porter, Moreland & Company and Bennett, Warner & Company, and to do a general buisness in manufacturing and selling oils.

Q. Did it not purchase the properties of Porter, Moreland & Company, Bennet, Warner & Company, Easterly & Davis, the Octave Oil Company, John Jackson?—A. I think those later companies were purchased later.

Q. Well, they were purchased by the Acme Oil Company, weren't they?—A. Yes; later.

Q. Very soon afterward.—A. But originally the properties consisted of Porter, Moreland & Company and Bennett, Warner & Company.

Q. Yes. It leased the refinery also of R. H. Lee, did it not?—A. It did for a period; yes. I don't remember the date.

Q. Where was the principal place of business of the Acme Oil Company?—A. Its place of business, I suppose, was stated to be New York. Its refineries were located at Titusville, in Pennsylvania.

12939 Q. How many of these refineries were dismantled—closed up?—A. I think they were mostly burned up.

Q. Mostly burned up?—A. Yes, sir.

Q. Some of them were closed up, were they not?—A. Well, they were closed up by fire, I think, practically all of them. They had an enormous fire at Titusville in the very early eighties, which burned up the refineries and came very near burning up the town.

Q. That was after 1881 or 1882, wasn't it?—A. Yes, I think it was; 1880, perhaps.

Mr. ROSENTHAL. The fire was in 1880, wasn't it?

WITNESS. I think the fire was in 1880.

Q. 1880—that was five years after the Acme Oil Company acquired them?—A. I think these larger works were all run for a period.

Q. How many were closed down?—A. That I could not say positively.

Q. When was the Acme Oil Company of Pennsylvania organized?—A. In 1879.

Q. What was that organized for?—A. It was organized for the purpose of taking over the Pennsylvania properties—such as was left of them.

Mr. MILBURN. From the Acme Oil Company of New York?

WITNESS. From the Acme Oil Company of New York; yes.

Q. Now, during that time, from 1875 until 1882, isn't it a fact that it was understood that those were independent entirely of the Standard Oil Company.

Mr. ROSENTHAL. Which?

12940 Mr. KELLOGG. The two Acme oil companies.

Mr. ROSENTHAL. Understood by whom?

Mr. KELLOGG. Everybody.

A. I don't know about everybody.

Q. The public generally, I mean. You know what I mean, I think.—A. I don't know what everybody may have understood about it.

Q. Did you testify in relation to those, in 1879?—A. I believe I did.

Q. Did you testify that they were entirely independent of the Standard Oil Company?—A. I was testifying, I think, at that time with reference to the Acme of New York.

Q. Well, was it entirely independent of the Standard in 1879?—A. The Acme Oil Company of New York was organized in 1875, its stockholders being William Rockefeller, Charles Pratt & Company, Warden, Frew & Company, A. P. Bennett, and myself. They were the legal owners of the stock and named its board of directors, and my understanding was at that time that they were in legal control of the business and that it was not controlled by the Standard Oil Company.

Q. Isn't it a fact that the stock at that time was held for the benefit of the stockholders of the Standard Oil Company?—A. It was held in the names of these individuals and the legal ownership was in them. I so understood it and was so advised.

Q. Didn't they have an agreement that it was held for the stockholders of the Standard Oil Company of Ohio?—A. There
12941 may have been an understanding that it was held for a common ownership of the stockholders of Ohio, but I was not aware of any such agreement.

Q. You heard Mr. Rockefeller's testimony here, didn't you?—A. Mr. J. D. Rockefeller?

Q. Yes.—A. I don't know that I have it in mind.

Q. Well, did you know whether there was any such understanding at the time?—A. I knew that there was a general understanding at that time that these properties were being taken with a view to common ownership, but there was no well-defined plan as to how that would be brought about, and as a matter of fact it was not brought about until the trust agreement of 1882.

Q. Was not that stock at that time, immediately after the organization of the Acme Oil Company of New York, held by those parties for the benefit of the stockholders of the Standard Oil of Ohio?—A. It may have been. I couldn't say from memory whether there was any such understanding. I only knew them as the legal owners and representatives of the company.

Q. Then you were one of the owners, were you?—A. I was originally, yes.

Q. What did you do with your stock?—A. I sold my stock, I think, in 1876.

Q. To whom?—A. I am not sure as to whom; either to some of those parties or possibly to the Standard Oil Company of Ohio.

Q. Did you get stock in the Standard Oil Company of Ohio to pay for it?—A. I took for it stock in the Standard Oil Company of Ohio.

12942 Q. Then, if you sold your stock in the Acme to the Standard Oil Company of Ohio and got stock in the Standard Oil of Ohio, you knew it was in some way affiliated with that company, didn't you?

Mr. MILBURN. He didn't say he sold it to the Standard Oil Company.

WITNESS. I don't say that I sold it.

Q. Well, whom did you sell it to?—A. I may have sold it to one of the individuals. I have no distinct recollection as to whom it was sold.

Q. You testified in 1879 about the Acme as follows, did you: "Q. How long has it been controlled by or affiliated with the Standard Oil Company?—A. It is an independent organization. It is not controlled or affiliated with the Standard Oil Company at all." Did you testify to that?—A. If the record is as you state; and I have no doubt but that my understanding of the matter at that time was as I have stated.

Q. Well, it was entirely independent, was it, of the Standard at that time?—A. So far as legal control was concerned, I believe it to have been, if I so testified. I believed it then to be.

Q. It was doing an independent business, wasn't it?—A. It was up to that time, and, indeed, for some time after that, under my administration, doing business with a view to the extension of its own trade.

Q. Entirely independent of the Standard Oil Company?—A. So far as any legal domination of the Standard Oil Company was concerned.

12943 Q. Well, so far as its business was conce..ed, wasn't it?—A. As far as I can recall it.

Q. Was it competing with the Standard Oil companies?—A. I imagine that there was, up to that period and for a further considerable period, very sharp rivalry.

Q. You testified that during those years it was a competitor of the Standard Oil Company, didn't you?—A. If I did so testify, I so believed at that time.

Q. Let me refresh your recollection. Did you testify, in 1879, in the case of the Commonwealth against the Pennsylvania Railroad Company, Mr. Archbold?—A. I believe I did.

Q. Suit had been brought by the Commonwealth to oust the Pennsylvania Railroad Company out of the State for paying rebates, hadn't it?—A. I have forgotten what the basis of the suit was. It is very vague in my mind.

Q. You remember testifying, do you?—A. I remember of being a witness in some such case, yes. I could not have testified positively as to what it was.

Q. You testified, did you not, to this: "Q. You spoke, sir, heretofore in your examination about competition and rivalry which the Acme Oil Company had to contend with—will you state, sir, with what parties they have had to contend with in competition, or with whom they have rivalry?—A. There have been competitive interests at all times at different localities reaching the trade in different directions, with whom we contended. Q. That you have already stated, sir, but the question is with what parties?—A. You want me to name them? Q. Yes, sir.—A. Covering what period? Q. Well, sir, the periods that you have at present in your mind. If you

12944 want any particular time I indicate since the 1st of May, 1878.—A. The concerns of Love & Company, Sodom & Tigg, Hoffman & Company," (and then named a lot more, among others these) "D. P. Reighart, notably; Elkins & Flack, William L. Elkins & Company at Philadelphia, Standard Oil Company at Cleveland and Pittsburg, Warden, Frew & Company at Philadelphia, Charles Pratt & Company at New York, and a number of others whose names I don't at the moment recall." Did you testify to that in 1879?

Mr. ROSENTHAL. What was the question.

Mr. KELLOGG. Whether they were in competition with the Acme Oil Company?

Mr. ROSENTHAL. Have you given the whole question?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. And the whole answer.

Mr. KELLOGG. Yes.

A. I have no recollection of it. If I did I believed it to be true.

Q. Well, were they in competition with the Acme Oil Company? A. If I so testified, I believed it to be true, on the conditions as they then existed.

Q. And now you believe it to be true, don't you?—A. I believed it to be true at that time, as I then testified. I am not testifying now as to conditions that existed thirty years ago.

Q. You were yesterday, weren't you?—A. No, I don't think so.

Q. I thought you went over a lot of these companies yesterday?—A. I went over the records of companies.

12945 Q. Were those companies independent companies at that time?—A. They were independent in the sense of seeking business, certainly.

Q. And in the sense of competing with each other?—A. And in the sense of competing for business; in the sense of rivalry for business.

Q. And Warden, Frew & Company, Charles Pratt & Company, and the Standard Oil, and the Acme were all competing with each other for business?—A. Whatever I testified to at that time I did under advice and because I believed it at that time to be the exact fact.

An adjournment was here taken until the morning of Wednesday, December 2, 1908, at 10.30 o'clock.

12946 ROOM 508 CUSTOM-HOUSE, NEW YORK CITY,
Wednesday, December 2, 1908—10.30 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr. Charles B. Morrison, Mr. J. Harwood Graves. On behalf of the defendants, Mr. John G. Milburn, Mr. Moritz Rosenthal, Mr. John S. Miller, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. W. Cleveland Runyon.

Mr. JOHN D. ARCHBOLD, recalled, and his cross-examination resumed, as follows:

By Mr. KELLOGG:

Q. Mr. Archbold, can you give us the percentage of business which the Standard interests were doing in this country about the year 1879 when this first trust agreement was made? I mean those interests, the stock interests of which were centered in that trust agreement of 1879?—A. Can I give it?

Q. Yes.—A. I will endeavor to do so. I don't know whether I have the data——

Mr. ROSENTHAL. You may assume that what Mr. Archbold testified to in 1879—namely, that it was about 75 per cent at that time, was correct.

Mr. KELLOGG. I think you are mistaken as to the year. That testimony was given in 1888, Mr. Rosenthal.

Mr. ROSENTHAL. It may be in 1888.

Q. To refresh your memory, Mr. Rogers testified that in 1879:

"The people that are now working in harmony with us
12947 comprise about, I should think, 90 to 95 per cent of the refiners."

Mr. ROSENTHAL. What page are you reading from?

Mr. KELLOGG. At page 3303.

Q. To be specific—"Q. What are the refiners that are now in association of the Standard Oil?—A. The people that are now working in harmony with us comprise about, I should think, 90 or 95 per cent of the refiners."

Mr. ROSENTHAL. That was his testimony when?

Mr. KELLOGG. That was Mr. Rogers' testimony before the Hepburn Committee. 1879, I think, Mr. Rosenthal.

Mr. ROSENTHAL. That is right.

Q. Now, is that your recollection?—A. I have no distinct recollection on the subject.

Q. Well, it was a very large percentage, wasn't it?—A. Probably a large percentage.

Q. And he undoubtedly referred, did he not, to the refiners that were working in harmony through these various stock interests that have been described?—A. I suppose he did. I don't know what he——

Q. What is your recollection of the percentage of business at that time done by this combination or Standard interests?—A. I have no distinct recollection that would enable me to state a percentage.

Q. Well, it was a very large percentage, wasn't it?—A. I should think it was a large percentage.

Q. Mr. Rogers' testimony seems to have been given in October, 1879. Now, shortly after this time in 1879, I believe you
12948 testified yesterday that the Standard interests acquired (principally the trustees) some very large refineries and quite a number of refining interests.

Mr. ROSENTHAL. After 1879?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. Give Mr. Archbold the memo. He testified simply from the memorandum.

Mr. KELLOGG. Oh, no; he testified to a large number that I examined him on in New York and various places.

[Mr. Rosenthal hands paper to the witness.]

Q. These refineries that I asked you about are not in that list. They were those refineries here at the seaboard—Jenny & Son and McGoy & King, Bush & Denslow and others, Yennie & Burke—that you testified yesterday. You remember it, don't you?

Mr. ROSENTHAL. He testified to the acquisitions.

WITNESS. I remember there were some acquisitions of that kind; yes, sir.

Q. Well, now, with that percentage of business, is it still your recollection that you acquired those refineries to obtain their additional business?

Mr. ROSENTHAL. With what percentage of business?

Mr. KELLOGG. With the percentage of business that they were doing at that time.

WITNESS. I don't know that I quite understand the question.

Q. You have testified that you were, in 1879, doing a large percentage of the business of this country. That is correct, isn't it?—A. Yes.

Q. Mr. Rogers puts it at 90 to 95 per cent.

12949 Mr. ROSENTHAL. No, no; Mr. Rogers said 90 or 95 per cent of the refiners.

Mr. KELLOGG. Oh, he didn't mean refiners in number, Mr. Rosenthal.

Mr. ROSENTHAL. I don't know what he meant; I am only telling you what the record in this case shows he said.

Mr. KELLOGG. I will get at it from Mr. Archbold.

Mr. ROSENTHAL. The answer of Mr. Rogers was, and I think it is fair that Mr. Archbold's attention should be called to it——

Mr. KELLOGG. Yes, sir.

Mr. ROSENTHAL. The question asked of Mr. Rogers in 1879 before the Hepburn committee was the following: "Q. What are the refiners that are now in association of the Standard Oil?" The answer was: "The people that are now working in harmony with us comprise about, I should think, 90 or 95 per cent of the refiners. Q. Now, tell us their names, the leading ones.—A. Some of the leading ones," Mr. Rogers answers, are "The Standard Oil Company; Charles Pratt & Co.; the Sone & Fleming Manufacturing Company; Warden, Frew & Co., of Philadelphia; the Standard Oil Company, of Pittsburg; the Acme Oil Refining Company, of Titusville; the Imperial Refining Company, of Oil City; the Baltimore United Oil Company, of Baltimore."

Q. Now, if they had from 90 to 95 per cent of the refineries at that time, it would be more than 95 per cent of the production of the refineries, wouldn't it?—A. I could not answer without going into——

12950 Q. The Standard's refineries were larger, were they not, than the average outside refineries?—A. Some of them were larger; yes, sir, certainly.

Q. Many of them were?—A. I should think it might be so.

Q. What is your recollection as to the correctness of Mr. Roger's estimate in 1879?—A. Well, I wouldn't undertake to answer from recollection.

Q. Well, what percentage would you say you had?—A. I could not tell without going over the records of that period.

Q. You have been over all this list of companies?—A. I could not tell without going to the records. Do you mean the percentage of the business or percentage of the refineries?

Q. Percentage of the business is what I asked for. Was it 75, 80 or 90 per cent?—A. I would not undertake to say the percentage without looking into the records more carefully.

Q. It was a very large percentage; you are willing to state that?—A. Oh, yes, I should say it was a large percentage.

Q. Then you were acquiring, after that, refineries in order to add to your business, were you?—A. We were adding to our business in all legitimate ways.

Q. And you acquired those refineries for the purpose of acquiring their business?—A. We did, no doubt of it.

Q. In 1888 you testified before the Committee on Manufactures, did you not?—A. I did.

Q. And you there stated that the Standard interests were
12951 doing about 75 per cent of the business in this country, didn't you?—A. I do not recollect what my testimony was.

Q. Well, let me refresh your memory on that.

Mr. ROSENTHAL. What page?

Mr. KELLOGG. Page 3246 of the record, volume 6.

Q. (Reading:) "Do you know that your aggregate capacity, or aggregate product, is nearly 85 per cent?—A. No, sir; it is nearer 75. Q. Than 85?—A. Yes, sir. Q. But have not you or your people an interest in some of these independent refineries?—A. No, sir; with one single exception. Q. You have an interest in the Tide Water Company?—A. Yes, sir; that is the exception I refer to. Q. But that is the largest of all?—A. Yes, sir. Q. You have bought up some minority stock?—A. Yes, sir. Q. And to that extent you share in their prosperity?—A. Yes, sir. Q. Now, taking your share of their business and adding it to your own, would not that increase your own estimated percentage?—A. That would increase it perhaps 2 or 3 per cent." Do you recollect that?—A. I do not recollect just what I testified to at that time.

Q. Well, in going over these various companies, can you now say that you believe that to be substantially correct?—A. I can only say that I do not recollect. If I did say it at that time, I have no doubt that I at that time believed it to be entirely correct.

Q. Was the Tide Water doing then a percentage of the business so that your 31 per cent of it would make 2 or 3 or 4 per cent of the total?—A. Possibly so.

Q. Now, in 1890, right after that testimony, was when you
12952 bought the Globe Refinery, wasn't it?—A. I do not remember the date.

Mr. ROSENTHAL. I think the record shows about 1890. It is not in that list that you have there, Mr. Archbold, but my recollection is that it was about 1890. That is right, isn't it, Mr. Taylor?

Mr. TAYLOR. February, 1890.

Mr. ROSENTHAL. February, 1890.

Q. Now, that was bought in order to acquire its business and trade, was it?

Mr. ROSENTHAL. I object to that. He so answered yesterday, and this is merely repetition.

Q. Is that true, Mr. Archbold?—A. Do you desire me to answer?

Q. Yes.—A. Why, undoubtedly.

Q. Although you then had from 75 to 78 per cent of the business?—A. I have not stated the percentage.

Q. That was the largest independent refinery in this country, wasn't it?—A. I could not say without looking at the records.

Q. What is your recollection?—A. I don't know.

Q. You don't know?—A. No.

Q. Well, I show you your testimony before the Industrial Commission. Did you testify before the Industrial Commission?—A. I did.

Q. Will you please look at page 560 and see if that table there given was furnished to the commission by you—the table showing the percentage each year from 1894 to 1898, inclusive [handing book to the witness]?

12953 Mr. ROSENTHAL. Well, what testimony are you now referring to?

Mr. KELLOGG. I am referring to the 1899 testimony before the Industrial Commission.

Q. Is that table correct, and is that your testimony?—A. If I so testified at that time, why——

Q. Well, did you so testify?—A.——I undoubtedly believed it to be true. I did testify at that time before the Industrial Commission, but my testimony in detail I can not recall from memory.

Q. Well, is that table correct?—A. I undoubtedly at that time believed it to be correct.

Q. Then, will you read the percentage of the total business done by the Standard Oil in each year from 1894 to 1898?

12954 Mr. ROSENTHAL. If you will let us see on just what basis that was prepared, we will undoubtedly make an admission that will entirely cover it.

Mr. KELLOGG. Well, I will have it put in the record now and you can look it over afterward.

Mr. ROSENTHAL. Very well.

Q. Will you please read from the table furnished by you at that time, showing the percentage of domestic business in the United States done by the Standard Oil Company during the years 1894 to 1898, inclusive?

Mr. ROSENTHAL. I object to that question for the reason that the witness thus far has testified that he does not remember what his testimony was, or whether he furnished such tables, and the question assumes that the table was furnished by Mr. Archbold, without there being any evidence so far in the record showing it.

Q. Just answer the question.

Mr. ROSENTHAL. I have no objection to the witness reading the paragraph from a book which you ask him to read.

Mr. KELLOGG. All right; let him read it.

Mr. ROSENTHAL. I also object to it upon the further ground that it is not cross-examination of anything that was gone into on the direct.

Q. Please proceed and answer.

Mr. ROSENTHAL. And I suppose, Mr. Kellogg, that any objections predicated upon the last objection may be considered as being made to the entire line of inquiry in that regard?

Mr. KELLOGG. Yes.

12955 Q. Proceed.—A. Shall I read the entire statement?

Q. Just the year and the percentages of the Standard Oil's business.—A. 1894, 81.4.

Mr. ROSENTHAL. That book in that respect purports to give only the percentage in the United States.

Mr. KELLOGG. That is right.

WITNESS. Domestic trade.

Mr. KELLOGG. That is correct.

A. 1895, 81.8; 1896, 82.1; 1897, 82.4; 1898, 83.7.

Q. That volume purports to be a volume of the Industrial Commission. You recollect testifying before that commission, do you?—A. I do.

Q. And after the testimony the proofs were furnished you for examination, were they not?—A. I do not recollect that they were.

Q. Do you recollect that you presented that table, giving that as the percentage of your business?—A. I have no recollection of it.

Q. You have no recollection. Will you examine it to see if it was correct?

Mr. ROSENTHAL. Oh, yes; we will be glad to do that.

Q. Did that percentage of business include the Tide Water business?—A. It may have included our percentage of ownership in the Tide Water. I could not say without examination.

Q. You could not say?—A. No.

Q. If it did not, then the Tide Water's business was 8 or 10 per cent of the total of the country, wasn't it?—A. I should think not of the domestic business.

12956 Q. You should think not. Well, its refineries were all situated in this country, were they not?—A. They were all situated in this country.

Mr. ROSENTHAL. The record in this case shows, I think, that only about 5 per cent of the total Tide Water business is done in this country.

Mr. KELLOGG. Yes; but that includes the manufactures.

Q. You will examine those tables and testify as to their accuracy, will you?

Mr. ROSENTHAL. Yes; oh, yes.

Q. Now, after that, in 1895——

Mr. ROSENTHAL. This was in 1899.

Mr. KELLOGG. I know, but the figures cover the years 1894, 1895, 1896, 1897, and so on.

Mr. ROSENTHAL. The question is a little misleading, that is all.

Mr. KELLOGG. Oh, yes.

Q. Assuming your companies were in 1894 doing 82 per cent of the business, why was it that you acquired the additional refineries in 1895 about which you testified yesterday?

Mr. ROSENTHAL. What was the 1895 refinery that he testified about yesterday?

Mr. KELLOGG. The International, as I recall, the Mutual Oil, the Western, the Schwartz, and the National.

Mr. ROSENTHAL. I don't think he testified when those were acquired.

Mr. KELLOGG. I think it was in 1895.

Q. Was it about 1895 that you acquired those refineries?—
12957 A. I can't recall.

Mr. ROSENTHAL. Let us get his testimony of yesterday and see if he covered that.

WITNESS. I can't recall the date.

Mr. ROSENTHAL. Independent of the date, Mr. Kellogg, the record may show that whenever they were acquired, they were acquired for the purpose stated yesterday by Mr. Archbold. So we will not waste any more time on that.

Q. You understand that they were acquired to increase the business of the Standard Oil companies?—A. Oh, certainly.

Q. To acquire their business and trade?—A. To succeed to their business.

Q. Now, is it not a fact that those refineries, acquired in 1895, were the International, with a capacity of from 15,000 to 18,000 barrels a month; the Mutual, with a capacity of 12,000 to 15,000 per month; the Union, consisting of the Western, the Schwartz and the National, with an aggregate capacity of 40,000 to 50,000 barrels per month?—A. I could not state as to their capacity.

Q. You remember the refineries?—A. I do, the most of them; yes.

Q. And you remember acquiring them?—A. I remember acquiring some of them; I don't remember them by name distinctly.

Q. Do you remember Mr. Westgate?—A. I don't think I do.

Q. You don't know Mr. Westgate?—A. I don't remember to have met Mr. Westgate.

Q. Now, if you will refer to that list of companies from which you testified in response to Mr. Rosenthal, known as
12958 companies named in the trust agreement, first division, and companies named in the trust agreement, third division, I wish to ask you certain questions about those companies which Mr. Rosenthal inquired into. I think I inquired yesterday about the Acme of New York and Pennsylvania both. Please refer to the Bush & Company, Limited, on page 2. I believe you stated that that was acquired about 1880. Please answer.—A. It so appears; yes.

Q. Bush & Company (Limited) was what, at the time of its acquisition?—A. It did a compounding and marketing business.

Q. Where?—A. In Philadelphia.

Q. Was it then doing business in competition with the Standard companies?—A. I suppose it was.

Q. Was it a stock company?—A. It appears to have been.

Q. You acquired the stock?—A. We evidently acquired the stock; yes.

Q. And to whom was the stock transferred?—A. That I could not say.

Mr. ROSENTHAL. Probably to Vilas, Keith & Chester.

WITNESS. Probably Vilas, Keith & Chester. I could not say as to that.

Mr. ROSENTHAL. After 1879, I think between 1879 and 1882, in connection with all of the companies that were acquired, the stock was probably transferred to Vilas, Keith & Chester.

Q. You don't know that the stock was transferred on the books of the Bush Company, Limited, do you?—A. I do not re-
12959 member distinctly about that. I assume that it was.

Q. It may have been transferred in blank. You don't know as to that?—A. I could not testify as to that, Mr. Kellogg.

Q. Now, referring to the Imperial Refining Company (Limited), what was that company at the time of its acquisition?

Mr. ROSENTHAL. The Imperial Refining Company (Limited)?

Mr. KELLOGG. Limited; yes.

Mr. ROSENTHAL. I think Mr. Rockefeller testified to that and Mr. Archbold did not.

Mr. KELLOGG. Did he not? Well, I will ask one or two questions. I have it checked. I may have made a mistake.

Mr. ROSENTHAL. That was originally acquired in 1874, wasn't it?

Q. Do you remember it, any way?—A. I remember the refinery very well.

Q. Did you take any part in the organization of that company?—A. I could not say that I did. I do not remember.

Q. The company seems to have been organized in 1878?—A. Apparently; yes.

Q. Do you know what form it took before that?—A. I do not. I am not familiar with it.

Q. Take the first one on the top of page 3, Paine, Ablett & Company. What was the business of Paine, Ablett & Company before the acquisition by the Standard Oil interests?—A. They had a small refinery at Smiths Ferry, Pennsylvania.

Q. Doing business—refining oil and selling it?—A. Lubricating oil.

Q. Lubricating oil?—A. More particularly.

12960 Q. In competition with the refineries of the Standard Oil?—A. I presume they were.

Q. Now, you say that was organized by Standard Oil interests. Paine, Ablett & Company were a corporation, were they, at the time of the acquisition?—A. My recollection is that they were a partnership prior to that time.

Q. Was the company organized at the same time of the purchase?—A. It appears to have been.

Q. Organized for the purpose of taking the business previously done by Paine, Ablett & Company?—A. It so appears.

Q. And the Standard Oil interests took the stock in that company, did they?—A. I presume so. I did not have to do personally with it.

Q. Who were the organizers—Paine, Ablett & Company?—A. I have not before me, nor do I remember who the names of the incorporators were.

Q. You have no recollection that the Standard Oil parties were incorporators?—A. I do not remember.

Q. And the stock of that company was transferred to whom?—A. I do not know how it was held. It was probably transferred to Vilas, Keith & Chester in 1879.

Q. Now, was the stock transferred on the books of the Paine, Ablett Company or did it remain in the name of Paine & Ablett and the men who had organized the company?—A. I did not have to do with the transaction and can not answer.

Q. You don't know whether it was transferred in the name of Vilas, Keith & Chester or not?—A. I assume that it was.

Q. Why do you assume that?—A. Because I think such in-
12961 terests were, in 1879, transferred to Vilas, Keith & Chester.

Q. Have you any record showing that?—A. There may be. I do not know.

Q. From what books was this record made?—A. This record?

Q. Yes.—A. It was made from the general books of the different companies.

Q. From the general books of the companies?—A. Of the different companies.

Q. Will those books show in whose names these stocks stood?—A. Possibly so.

Q. I would like to have you produce them so that we can see just how those stocks stood in those days. Will you do so?—A. I will confer with counsel about it.

Q. I will ask you some general questions about that when we get through. Will you look at page 4, the Standard Oil Company of Pittsburg? That company was not organized by the Standard Oil Company, was it; or Standard Oil interests?

Mr. ROSENTHAL. It was organized in 1868. Mr. Rockefeller testified that it was not——

Mr. KELLOGG. Yes; that is right.

Q. Do you know the numerous refineries that were bought up and went into the Standard Oil of Pittsburg before the Standard Oil interests got control of it?—A. I do not.

Q. Or afterwards?—A. I was not familiar with the business of the Standard Oil Company of Pittsburg.

Q. The Solar Oil Company (Limited). You knew about that, did you?

12962 Mr. ROSENTHAL. The Solar Oil Company (Limited)?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. Just below there.

Q. Page 4. You knew about that, did you?—A. Only in a very general way. I did not have to do with it.

Q. What was the business of that company before the Standard Oil interests obtained the stock?—A. It had a small refinery at Williamsport, Pennsylvania.

Q. Doing business in competition with the Standard Oil refineries?—A. I assume that it was.

Q. And the stock was acquired by the Standard Oil interests, was it?—A. Its entire capital was purchased for account of Standard Oil interests in 1880.

Q. How long was that refinery operated after you got it?—A. I could not say. I do not know.

Q. Not long, was it?—A. I don't know. I could not say.

Q. You don't remember. Well, to whom was that stock transferred?—A. The property transferred to the Atlantic Refining Company.

Q. I know—but the stock of the company?—A. That I could not say. I do not know.

Q. When was the property transferred to the Atlantic Refining Company?

Mr. ROSENTHAL. We have not the exact date of that.

WITNESS. I have not the date.

Mr. ROSENTHAL. But we will endeavor to supply that.

Q. Please look at page 5, the American Lubricating Oil Company. What was the business which went into the American
12963 Lubricating Oil Company?—A. According to this record, refineries at Cleveland.

Mr. MILBURN. Mr. Rockefeller covered that, Mr. Kellogg.

Mr. KELLOGG. So did Mr. Archbold.

Mr. MILBURN. No.

Mr. KELLOGG. I think he did.

Mr. MILBURN. Well, all right. Yes, he did.

Mr. ROSENTHAL. He covered the later period.

Q. Did you have to do with the purchase of that?—A. I did not.

Q. Were these refineries doing business in competition with the Standard refineries at that time?—A. I presume they were.

Q. Did you know about the organization of this company in 1878?—A. I did not.

Q. You don't know, then, who the others were that had that interest?—A. I do not.

Q. Weren't they, some of them, the former owners of the business?—A. I could not answer.

Q. You could not say. All right. The Baltimore United Oil Company, this statement says, was organized by Standard Oil interests in 1877. Did you have to do with that?—A. I did not.

Q. Who did?

Mr. ROSENTHAL. Mr. Rockefeller testified to it, didn't he?

Mr. KELLOGG. He only did on cross-examination. He did not on direct.

Q. Who did have to do with that purchase?—A. I could not answer that from memory.

12964 Q. You don't remember?—A. No.

Q. Then you don't know how the Standard Oil interests came to acquire the Baltimore United Oil Company?—A. I do not.

Q. You don't know how they came to organize that company. Isn't it a fact that there were a large number or quite a number of refineries doing business in Baltimore prior to 1877?—A. I do not know how many.

Q. Were there several?—A. I should think there were.

Q. As independent refineries?—A. Undoubtedly.

Q. Doing business in competition with the Standard Oil interests?—A. I presume they were.

Q. And was not this company organized as a part of that purchase?—A. I presume it was. I do not know.

Q. And the stock——

Mr. MILBURN. It was organized to take over those——

WITNESS. To take over those refineries.

Q. It was organized at the time of and as a part of the general deal in buying them, wasn't it?—A. The record is, by Standard Oil interests in 1877.

Q. Where did you get that record?—A. That is the record which you are using.

Q. Yes; where did you get it?—A. It was made from the books of the company.

Q. Then I suppose the books of the company will show who the organizers were, will they not?—A. I presume they will—the records of the company.

Q. And to whom the stock was issued, won't they?—A. I don't know. I presume so.

12965 Mr. MILBURN. The certificate of incorporation shows that.

Mr. KELLOGG. It may not show to whom the stock goes.

Q. Whom did you direct to make up this statement?—A. It was done largely under the oversight of Mr. Folger, by the different——

Q. Mr. H. C. Folger?—A. Mr. H. C. Folger; yes.

Q. Do you know how long those refineries were operated?

Mr. ROSENTHAL. Which ones?

Q. That went into the Baltimore United Oil.—A. I think they are still operated.

Q. All of them?—A. Well, I say all of them—the business as a whole is operated. Probably some of the construction of that period is exhausted and replaced.

Q. Many of the refineries were shortly thereafter dismantled, were they not?—A. Not to my knowledge.

Q. You don't know?—A. No.

Q. Refer to the Beacon Oil Company, on page 5. You knew about that, did you?—A. I did.

Q. Did you have to do with that purchase?—A. I did.

Q. What was the property of the Beacon Oil Company at the time you acquired it?—A. It had a small refinery and oil yards at Boston.

Q. Refining and selling oil in New England?

Mr. ROSENTHAL. You don't mean just that, Mr. Kellogg. The Beacon Oil Company was organized by the Standard Oil Company in 1879 to take over those small properties of Kidder, Vaughan & Company.

12966 Q. Prior to the Beacon Oil Company's organization what was the form of the organization?—A. It was a partnership under the name of Kidder, Vaughan & Company.

Q. And owned by what concern?—A. It was owned at that time by the Maverick Oil Company.

Q. And the Maverick Oil Company was a company, was it—a corporation?—A. I assume that it was.

Q. They were doing business in Boston—had a refinery and oil yards, had they?—A. They had a small refinery. Whether it had been operated or not for some time prior to that I am in doubt.

Q. What were they doing then?—A. They were buying oil and were merchants in oil.

Q. Buying and selling oil?—A. Buying and selling oil.

Q. Retailing or wholesaling it in that country?—A. Jobbing.

Q. Jobbing it through New England?—A. Throughout certain sections. I don't know how far throughout New England.

Q. And did you make the deal for the acquisition?—A. I did.

Q. As a part of the deal did you organize the Beacon Oil Company?—A. We did.

Q. In whose name was it organized? That is, who were the organizers?—A. I have not the record of the incorporators.

Q. Was it organized as a part of that deal of purchase?—A. It was organized to take over the properties.

Mr. ROSENTHAL. Manifestly so, from this statement; yes.

Q. Somebody took $30,000 of the stock and your interests took $70,000. Is that correct?—A. It so appears.

12967 Q. Who were those parties who took the $30,000 of stock?—A. I think they were the former owners.

Q. And the properties of these two concerns, Kidder, Vaughan & Company and the Maverick Oil Company, were transferred to the Beacon Oil Company, were they, or just the Kidder, Vaughan & Company?

Mr. ROSENTHAL. Kidder-Vaughan.

A. I think only the Kidder-Vaughan.

Q. All right.

Mr. ROSENTHAL. That is, the property of Kidder, Vaughan & Company was then transferred to the Beacon Oil Company.

Q. To whom were the stocks of the Beacon Oil Company which your interests acquired, the 70 per cent, transferred?—A. I have no recollection as to the names in which it was taken.

Mr. ROSENTHAL. From the date, December, 1879, probably it was Vilas, Keith & Chester.

WITNESS. Probably Vilas, Keith & Chester, I should say.

Q. You don't know whether it was actually transferred on the books to them, or merely the stock——A. I can't recall.

Q. Your books will show, won't they, undoubtedly?—A. They may.

Q. The Bush & Denslow Company, on page 6—you did not organize that company, I see.—A. The company was apparently organized in 1879.

Q. Before the Standard interests obtained any of the stock?—A. And they bought the stock.

Q. Yes. That is, the Standard interests bought $150,000 out of the $300,000 of capital stock in 1880?—A. In 1880.

12968 Q. What was the business of that company?—A. They were refiners of oil.

Q. Where?—A. In Brooklyn, New York.

Q. Doing business in competition with the Standard's interests?—A. I presume they were.

Q. Selling their oil where?—A. I do not know.

Q. Manufacturing and selling petroleum products?—A. Yes.

Q. You don't know to whom that stock was transferred?—A. I do not remember.

Q. Who were the parties that took the other half interest?—A. I think it was all owned by Mr. Bush.

Q. Did Mr. Bush continue in the operation of the business?—A. He did.

Q. Did the other parties here who retained these minority interests in these companies you have testified to this morning continue in the operation of the local business?—A. I would like to know which you refer to.

Q. Take the Beacon Oil Company. Did they continue?—A. As I recollect, Mr. Vaughan continued to operate the business.

Q. As the Beacon Oil Company?—A. Yes; as the Beacon Oil Company.

Q. The American Lubricating Company—who continued to operate that?—A. I could not say positively about that. I did not have personal knowledge.

Q. Who operated the Baltimore United Oil?—A. That I could not state.

Q. Do you remember Mr. West?—A. I remember Mr. West, yes.

12969 Q. Was not Mr. J. West one of the owners of some of the refineries in Baltimore which were acquired?—A. They did own refineries there and I think they were acquired.

Q. Did he not retain a minority interest in the stock?—A. I could not testify positively that he did.

Mr. ROSENTHAL. Baltimore?

Mr. KELLOGG. Yes.

WITNESS. He may have done so.

Q. And did he continue to operate it?—A. My recollection is that he was employed in the business for a period.

Q. Now refer to the Central Refining Company of Pittsburg, on page 6.

Mr. ROSENTHAL. He does not know anything about that. He has not testified about it.

Q. Do you know anything about that?—A. No; I do not.

Mr. ROSENTHAL. It was prior to 1873.

Q. The Cheesebrough Manufacturing Company. Did you have to do with that acquisition?—A. I don't think I did. To the best of my recollection I did not.

Q. You testified in relation to that the other day?—A. Yes.

Q. That was a corporation before your interests obtained any stock, was it not?—A. Apparently so.

Q. Doing what kind of business?—A. Manufacturing vaseline and vaseline products.

Q. Where?—A. In Brooklyn.

Q. That company had acquired a large business in the manufacture of vaseline, hadn't it?—A. It had.

12970 Q. It had originated that business, had it?—A. It had.

Mr. ROSENTHAL. You mean it had originated the business of the Cheesebrough Manufacturing Company?

WITNESS. Yes; the business of the Cheesebrough Manufacturing Company.

Mr. ROSENTHAL. You don't mean it had originated the vaseline business?

Mr. KELLOGG. No; I mean this corporation had originated this business; that is, it had been doing the business from——

WITNESS. The record is that it was organized in 1880.

Q. What preceded the Cheesebrough Manufacturing Company, do you know?—A. I do not know.

Q. You don't remember the organization?—A. I do not.

Q. Now, you acquired just a bare majority of the stock?

Mr. ROSENTHAL. Acquired 2,549 shares, which is a little more than a majority.

Q. A little more than a majority of the stock?—A. 2,549 shares.

Q. Who retained the balance?—A. I think it was owned by a considerable number of individuals, Mr. Cheesebrough being, perhaps, the principal.

Q. Did they remain in the management of the business?—A. They did.

Q. For how many years?—A. They have, I think, until this day.

Q. Do they still retain a minority interest?—A. Oh, yes.

Q. Were any of the Standard companies manufacturing vaseline at that time, 1880?—A. Not that I recall.

Q. Are you familiar with the acquisition of this Chess, Carley & Company?—A. I did not have to do with it.

12971 Mr. ROSENTHAL. That is, you mean with the original copartnership?

Mr. KELLOGG. Yes, with the original copartnership or the organization.

Mr. ROSENTHAL. The corporation was organized in 1881.

Q. Did you know of the organization of the Chess, Carley Company corporation?—A. Only in a very general way.

Q. Previous to that time the business had been done by Chess, Carley & Company, a copartnership, had it not?—A. Apparently it had.

Q. Is that your recollection of it?—A. That is my recollection of it.

Q. They were doing what kind of a business?—A. A distributing and marketing business.

Q. Throughout all of the Southern States or many of them?—A. Shall I name them? They are in this record.

Q. Are they given here?—A. Yes.

Q. That is sufficient then. Did you have to do with the organization of the corporation?—A. I do not recall that I did.

Q. Half of the stock was retained by the other owners, was it?—A. Apparently it was.

Q. And do you know who those parties were?—A. I do not know the names, other than Mr. Carley.

Q. Was he principally in charge of the business?—A. He was.

Q. Did he continue to operate the company—the Chess, Carley Company?—A. I think he did—he did.

Q. For how many years?—A. I do not remember about the exact record, unless this shows it. The property was transferred
12972 to the Standard Oil Company of Kentucky in 1886.

Q. Do you remember the organization of the Standard Oil Company of Kentucky?—A. I simply remember generally about it. I could not absolutely state.

Q. Will you turn to page 7 and look at the Consolidated Tank Line Company. Are you familiar with that company?—A. Only in a very general way.

Q. Who were Alexander McDonald & Company?—A. Alexander McDonald & Company were a partnership doing business in Cincinnati as their headquarters.

Q. What was their business?—A. A marketing business.

Q. In what States?—A. Shall I read them? They are all enumerated here.

Mr. ROSENTHAL. No.

Q. No, I don't think they are, are they? That is the present. I mean at that time.—A. Yes, I mean at that time.

Q. Well, all right. Is the list of States or stations in the last column a list of places that Alexander McDonald & Company were doing business in 1878?—A. Apparently they were.

Q. They were doing business in competition with the Standard Oil Company interests?—A. I imagine they were, to an extent; yes.

Q. And they retained an interest in the corporation, did they?—A. I don't know how much in competition they were. I think they bought their supplies largely from the Standard Oil interests.

Q. They retained an interest in the new corporation?—A. They did.

Q. Did Alexander McDonald & Company continue to oper-
12973 ate that corporation?—A. They did.

Q. For how many years?—A. For a great many years. I do not have in mind the exact date.

Q. Until about——

Mr. ROSENTHAL. 1892.

Q. Until about 1892?—A. I think Alexander McDonald continued in the business after that date. I am not sure as to that.

Q. I mean did he continue the operation of the Consolidated Tank Line Company until it was taken over in 1892 by the Standard Oil Company of Kentucky?—A. I assume that he did.

Q. To whom were the stocks acquired by the Standard Oil interests transferred?—A. I do not know.

Q. You don't know?

Mr. ROSENTHAL. Do you mean originally?

Mr. KELLOGG. Yes, originally, and held until 1882. Do you know?

A. No, I do not know.

Mr. ROSENTHAL. Does the Vilas, Keith & Chester agreement recite the Consolidated Tank Line Company as one of the companies?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. It appears in the Vilas, Keith & Chester agreement that that stock went to Vilas, Keith & Chester.

Mr. KELLOGG. Yes, but I was asking in whose name the stock appeared.

Q. Do you know?—A. No, I do not know.

Q. The Inland Oil Company—did you have to do with
12974 that?—A. I did not.

Q. Who did?—A. I could not say. I do not know.

Q. Do you know what the business was in 1880 of the Inland Oil Company?—A. They were marketers of lubricating oils.

Q. Where?—A. Headquarters at Cincinnati.

Q. Who were the parties in charge of the business?—A. Mr. Miller was one party, perhaps the leading party.

Q. What Miller was that?—A. I have forgotten his first name; I think a Mr. Hamilton——

Q. It was not Mr. Charles Miller?—A. No.

Q. Do you know the name of the concern at the time the Inland Oil Company was organized?—A. I could not testify positively to it. My impressions are that it was done under a firm name, Miller & Hamilton or Hamilton & Miller, or some such name.

Q. The Inland Oil Company was organized as a part of that acquisition, was it?

The EXAMINER. We will suspend here for a moment.

(Recess for five minutes.)

12975 Q. Mr. Archbold, I wish you would refer to the Keystone Refining Company, on page 7. I notice that the Standard Oil interests organized that company. Who were the parties owning the properties previous to the organization?—A. Pickering, Chambers & Company.

Q. Comfort, Pickering & Chambers, wasn't it?—A. The firm, as I recollect it, was Pickering, Chambers & Company. Comfort, Pickering & Chambers, possibly.

Q. What was their business prior to that time—a refinery?—A. They had a refinery at Titusville.

Q. Operating at Titusville?—A. At Titusville, Pennsylvania.

Q. Refining and selling products of petroleum?—A. Refining petroleum and selling it, of course.

Q. In competition with the Standard's interests?—A. I suppose in a degree they were, at any rate.

Q. Was the company organized as a part of the purchase?—A. It was organized to take over the property of Pickering, Chambers & Company.

Q. At the time of the purchase and a part of the deal of the purchase, was it?—A. I suppose it was.

Q. And did Mr. Pickering or Mr. Chambers organize it?—A. It was organized by Standard Oil interests.

Q. Well, do you mean that the Standard Oil men got up the articles and signed them, or did Mr. Pickering and Mr. Chambers do that?—A. I imagine that Pickering & Chambers were a party to it.

Q. Were they not the only parties to it?—A. I should hardly think so.

12976 Q. When you say "organized by Standard Oil interests" you mean that the Standard Oil interests in acquiring part of that property, or part of that business, caused this company to be organized and took part of the stock? Is that what you mean?—A. They did. They bargained with the old owners and the company was organized, and the part of the property bought by the Standard Oil interests was as stated here in this memorandum.

Q. In other words, you got the stock and that is all you did get? That is correct, isn't it? There was never any deed of these refineries to the Standard?—A. There was a deed to the company, presumably.

Q. And you took your share of the stock?—A. Yes.

Q. You don't know that a single Standard Oil man signed the articles of incorporation, do you?—A. I could not say from memory who did sign the articles of incorporation.

Q. Who continued the operation of the business?—A. The old owners continued the operation of the business.

Q. And retained a minority interest in the company?—A. And retained a minority interest.

Q. Down to what date?—A. 1882.

Q. When their minority interest was bought out by whom?—A. Well, I assume, by the trustees of the Standard Oil Trust.

Mr. ROSENTHAL. It so states.

WITNESS. It so states; yes.

Mr. KELLOGG. Well, it says liquidated and ceased business.

Mr. ROSENTHAL. No; minority interest acquired by trustees of S. O. trust in 1882.

Mr. KELLOGG. Where is that?

12977 Mr. ROSENTHAL. That is the heading of that column

WITNESS. That is right.

Mr. KELLOGG. Oh, yes; in 1882. I overlooked that figure.

Q. The Maverick Oil Company; Did you have to do with that?—A. I did.

Q. That was a concern in Boston, was it?—A. Yes.

Q. The Maverick Oil Company is the concern that owned the Kidder, Vaughn & Company, is it?—A. Yes; Kidder, Vaughn & Company; yes.

Q. The Maverick Oil Company also had a refinery of its own?—A. Well, it had what had been a refinery at one time.

Q. And oil yards?—A. And oil yards.

Q. Was it in operation in 1877?—A. I don't think it was.

Mr. ROSENTHAL. You mean the refinery?

WITNESS. The refinery, yes. I don't think it was.

Q. What was the business of the Maverick Oil Company?—A. They were merchants in petroleum.

Q. Selling petroleum through New England?—A. In the Boston section and measureably through New England.

Q. Who controlled at that time the Maverick Oil Company?—A. The business theretofore done?

Q. Yes.—A. It was under the firm name of Carter, Windsor & Company.

Q. Who were the individuals, do you remember?—A. I remember Mr. Carter and Mr. Windsor.

Q. When the Maverick Oil Company was organized, was that a part of the deal of the purchase?—A. It was.

Q. They were to retain a part of the stock?—A. They were.

12978 Q. And did so retain it?—A. They did.

Q. And the balance went to the Standard Oil interests?—A. It did.

Q. You don't know to whose name it was transferred, do you?

Mr. ROSENTHAL. The balance was bought and paid for, the memorandum states, by the Standard Oil interests.

Q. Who signed the articles of incorporation that caused that company to be organized?—A. I do not remember the names of the individuals.

Q. You don't know to whom the stock was transferred?—A. I do not.

Q. Who continued the operation of that business—Maverick Oil Company?—A. Mr. Carter.

Q. For how many years?—A. Well, I think for many years; I do not know how many. I think until his death, and that was a very considerable period.

Q. That is, the man who had the minority interest continued the operation of the business?—A. He did.

Q. Did he continue it down to the time it was transferred to the Standard of New York?—A. If Mr. Carter lived as long as that, and I think he did.

Q. Refer to page 8, will you please. You testified in relation to the organization of the National Transit Company, I believe?—A. I did.

Q. Who retained the minority interest in that?

Mr. ROSENTHAL. In what?

Mr. KELLOGG. In the National Transit—or who had it?—A. My recollection is that it was the Philadelphia group of gentlemen.

12979 Q. What properties had they previously owned?—A. They had owned the National Storage properties.

Q. When had the National Storage been acquired by the Standard Oil interests, or its stock acquired?—A. I do not remember the date.

Mr. ROSENTHAL. Do you mean when did the Standard Oil interests originally get stock in the National Storage Company?

Mr. KELLOGG. Yes.

Q. Do you know, Mr. Archbold?—A. I do not remember the date of the National Storage.

Mr. ROSENTHAL. It was at that time, according to this memorandum.

WITNESS. It looks as though it was at that time, and I think it was. In 1881.

Q. Well, do you know whether it was or not, or whether the Standard Oil interests had previously controlled the National Storage?—A. I think it was at that period that the deal was made.

Q. What makes you think so?—A. From this memorandum.

Q. That is all the information you have on it?—A. Yes; I could not remember the date aside from this.

Q. The Portland Kerosene Company; you didn't organize that company, did you?—A. No.

Q. Do you know the man who controlled it?—A. My recollection is that a Mr. Jose was the principal man.

Q. What was its business at the time the Standard's interests acquired stock in it?—A. They had a small refinery at Portland.

12980 Q. Refining petroleum and selling it in New England?—A. Whether they had been refining up to that time I could not say positively. They were dealers in petroleum and I think largely bought their supplies.

Q. You bought 934 shares out of 2,000?—A. Yes.

Q. And did they continue to operate the company?—A. Whether they operated it as a refinery or not I couldn't say; I should hardly think so. I think they bought their supplies from the Standard Oil interests.

Q. Were they buying their supplies of the Standard companies when you acquired this stock interest in 1878?—A. I think they were; that would be my recollection.

Q. Producers Consolidated Land & Petroleum Company; that was not organized by Standard Oil people, was it?—A. No.

Q. Do you know who did organize it?—A. It was organized by Boston people principally.

Q. Who were they?—A. Boston and New England people. Mr. Ames and Mr. Bushnell and their associates.

Q. Mr. Bushnell was one of the leading men in it, was he?—A. Yes.

Q. What Bushnell?—A. I have forgotten his initials.

Q. D. Bushnell?—A. He was an associate of Mr. Ames in railroad enterprises. I have forgotten his first name.

Q. Daniel Bushnell, was it?—A. I am inclined to think it was.

Q. Where did he live?—A. I think he lived in New Haven, somewhere in the New England section.

Q. Well, that was quite a large concern, wasn't it?—A. It was a fairly large concern, I should think.

12981 Q. Owned a refinery at Bayonne and had large producing properties, didn't it?—A. Well, this company apparently had only producing properties in Pennsylvania.

Q. Mr. Rockefeller testified it had a refinery at Bayonne. You remember that, don't you?—A. That may have been another organization. This organization, according to this record, dealt only in producing properties in Pennsylvania.

Q. That was in 1882, wasn't it, that it only had producing properties?

Mr. ROSENTHAL. The memorandum recites that the chief properties owned at the time of the formation of the trust were producing properties in the Pennsylvania oil fields.

Q. As a matter of fact, that company previously owned a large refinery at Bayonne, which was the refinery transferred to the Standard of Ohio subsequently?—A. Whether it was that company or another organization——

Mr. MILBURN. That is right. Mr. Kellogg is right in his statement.

WITNESS. It is not so recited here. [Referring to a paper.]

Mr. ROSENTHAL. It is shown on one of our other exhibits.

Q. That was a large company at the time the Standard Oil acquired their interests in it, was it not?—A. A considerable company.

Q. Competing with the Standard Oil companies, was it not?—A. In a degree I suppose it was.

Q. In a considerable degree, was it not?—A. I couldn't say to what degree.

12982 Q. In the production of crude oil and in the manufacture and sale of it, was it not?—A. I could not say that it had been in competition, especially in the production of crude oil.

Q. Well, it was in the manufacture and sale?—A. To a degree in the manufacture and sale. They may have had a business outside of competition with the Standard. I could not testify as to that.

Q. At the time of the acquisition of that stock Mr. Bushnell was taken in as a stockholder in the Standard Oil, wasn't he?—A. I do not remember; I do not know.

Q. Well, who continued to operate it after the acquisition by the Standard Oil interests?—A. The refinery property do you mean?

Q. No; whatever property was left in the concern.—A. The company continued to operate it.

Q. Did Mr. Bushnell and the previous owners continue the operation?—A. I assume that they did.

Q. Will you please turn over to page 9. I would like to call your attention to the Signal Oil Works, on page 9, and to the Galena Oil Works, on page 10, Mr. Archbold. The Standard Oil interests did not organize those companies, did they?

Mr. ROSENTHAL. Neither one.

A. No.

Q. Who did?—A. You mean the two companies?

Q. Yes.—A. Mr. J. C. Sibley was the leading man in the Signal Oil Works, and Gen. Charles Miller in the Galena Oil Works.

Q. They are the men who were the principal men in the
12983 operation of the consolidated company known as the Galena-Signal Oil Company, are they not?—A. They are.

Q. And they own largely the minority interests now in that company?—A. They do.

Q. What was the business of those companies at the time the Standard interests acquired stock interests therein?—A. The business of the Signal Oil Works was the compounding of signal and cylinder oil at Franklin, Pennsylvania. Of the Galena, the manufacture and sale of lubricating oil, at Franklin, Pennsylvania.

Q. The business of those two companies was principally manufacturing or compounding various kinds of lubricating oils and selling them to the railroads, was it not?—A. Lubricating and signal.

Q. Well, lubricating and signal; yes.—A. Lubricating, and signal, and cylinder oils.

Q. For the use of railroads?—A. For the use of railroads largely.

Q. Principally?—A. I should say principally.

12984 Q. They established that business, didn't they?—A. They did.

Q. In 1879 the Standard Oil interests acquired a minority interest in the Galena-Signal Works and a majority in the Galena Oil Works?—A. They did, in 1879.

Q. Who continued the operations of those concerns?—A. Those gentlemen—General Miller and Mr. Sibley.

Q. In the same manner they had previously?—A. Yes.

Mr. ROSENTHAL. That is, they continued the actual operation in the same manner as they had previously?

Mr. KELLOGG. Yes; that is what I mean.

Q. Prior to that time were they competing with the Standard interests in the manufacture of lubricating oils?—A. Up to that time I should say that the Standard interests had not been active in the sale of lubricating oils.

Q. They had been manufacturing and selling lubricating oil, hadn't they?—A. Not so especially with reference to the trade which these people were doing.

Q. They had been selling lubricating oil to railroads, hadn't they?—A. Well, possible to some extent.

Q. Then then these men were competitors of the Standard Oil in this business?—A. Well, they were doing business quite distinct

from anything that the Standard Oil had theretofore done, as I remember.

Q. In what respect was it distinct from the Standard Oil business?—A. The manufacture and sale of signal and cylinder oils and of railroad lubricants. The business of these concerns was specialties and recognized as such, and they had a field quite of their own.

12985 Q. At that time what companies of the Standard Oil were manufacturing lubricating oil?—A. I should say that the works at Cleveland—the American Works—were the principal ones.

Q. And those lubricating oils were for the use of railroads, and all other kinds of lubricating oils?—A. I don't think that they made oils at those works that competed in the special field which these concerns were operating in.

Q. The Vacuum Oil Company did, didn't it?

Mr. ROSENTHAL. That was acquired in 1879, at the same time that the Galena and the Signal were.

Q. I understand. The Vacuum Oil Company did, didn't they?—A. The Vacuum Oil Company were more in that line of business, but their oils were also more in the line of specialties.

Q. I will take that up more fully when I reach it. Now, in 1897 these two companies were consolidated——

Mr. ROSENTHAL. Consolidated in 1901, Mr. Kellogg.

Q. In 1901—in the Galena-Signal Oil Works?—A. They were—the companies—in the Galena-Signal Oil Company.

Q. And Mr. Sibley and Gen. Miller have continued their minority interest?—A. They have.

Q. And manage the company?—A. They do.

Q. To whom was its stock transferred in 1879?—A. I couldn't, from memory, give the names of the individuals.

Q. Thompson & Bedford Company, on page 9. You say that was organized by Standard Oil interests? There was a Thompson-Bedford Company at the time that corporation was organized,

12986 wasn't there?—A. There was a partnership.

Q. What was the business of the partnership, and who were the partners?—A. Under the firm name of Thompson, Bedford & Company, and their business was dealing in lubricating oils.

Q. Where were their headquarters?—A. In New York.

Q. They also compounded lubricating oils, did they not?—A. I do not think they did.

Q. Were they not at that time very large compounders and dealers in lubricating oils?

Mr. ROSENTHAL. At what time? 1880?

Mr. KELLOGG. In 1880.

A. They were large dealers, but I do not recall that they were compounders.

Q. Where did they do business?—A. In New York City.

Q. Where did they sell their oils? All over the country?—A. I know of no limitations. I think they had a very considerable export business.

Q. Were they at that time competing with the Standard's concerns?

Mr. ROSENTHAL. When?

Mr. KELLOGG. 1880.

Mr. ROSENTHAL. The Standard then owned one-half. They owned one-half of the Thompson, Bedford & Company, the copartnership prior to the organization of the corporation.

Q. When did the Standard first obtain their interest in the Thompson & Bedford concern?—A. I don't know the date of their coming into partnership in the Thompson, Bedford & Company business.

12987 Q. Their names do not appear in the trust agreement of 1879.

Mr. ROSENTHAL. There is a general clause that I call attention to in that trust agreement that is broad enough to cover other concerns than those specifically named.

Q. There was at one time a firm of Thompson, Bedford & Company doing business in New York, in which the Standard Company had no interest, wasn't there?—A. I do not know whether the Standard Company's interest in the business—when it was acquired, or how long the concern had been in operation, if at all, before its acquisition.

Mr. ROSENTHAL. That is, in the copartnership?

WITNESS. In the copartnership.

Q. You don't know?—A. I do not know.

Mr. ROSENTHAL. I think Mr. Bedford has heretofore testified to that, in this record.

Mr. KELLOGG. Not in this case.

Mr. ROSENTHAL. I think so. Mr. E. T. Bedford was called by you as a witness, and testified.

Q. Who were the men interested in the Thompson-Bedford Company, other than the Standard Oil interest?

Mr. ROSENTHAL. The suggestion is just made to me that the original acquisition of Thompson, Bedford & Company was probably in 1878—in the copartnership; and that may be taken as the date, subject to correction.

Q. Previous to 1878, what was the business of Thompson, Bedford & Company?—A. I should say it was the dealing in and marketing of lubricating oils.

12988 Q. What individuals retained an interest in the Thompson & Bedford Company when it was organized?—A. I suppose all the original partners.

Q. Did they continue to operate the business?—A. They did.

Q. How many years?—A. They have until this day.

Q. Do you know about the Eclipse Lubricating Oil Company?—A. I do.

Q. That company was organized in 1878, it says.—A. In 1878.

Q. What properties did it acquire at that time?—A. It acquired the Eclipse Works, at Franklin, Pennsylvania.

Q. Who owned them previous to that time?—A. They had been owned by a large number of individuals, at Franklin and in that neighborhood.

Q. In what name?—A. I think they were run under the name of the Eclipse Works.

Q. A partnership or a corporation?—A. Whether it was a copartnership or a corporation I am not sure.

Q. Did they organize this company—those individuals?—A. It was organized by Standard Oil interests.

Q. Who signed the articles?—A. I could not state from memory.

Q. Some of those men retained an interest in the company, did they?—A. Apparently they did.

Q. What was the business of the company prior to the acquisition by the Standard Oil interests?—A. It was built for the purpose of manufacturing lubricating oils especially.

Q. Was it in operation at the time you purchased this interest?—A. My recollection is that it was practically out of operation.

Q. Had it been in operation?—A. They had originally
12989 created quite a large construction, but it had not been successful.

Q. Had it been in operation?—A. Not immediately prior to the acquisition.

Q. How long before had it been in operation?—A. That I could not say from memory.

Mr. MILBURN. What company is this?

Mr. KELLOGG. The Eclipse.

Q. What was the nature of its business?—A. It had, as I say, been constructed for the purpose of manufacturing lubricating oils.

Q. Who continued the operation of it, what individuals?—A. My recollection is that a Mr. Gray.

Q. Was he formerly interested in the concern?—A. He had been employed, as I recall, by the earlier concerns.

Q. The Empire Refining Company, on page 10. That was a corporation in business at the time the Standard interests obtained stock in it, wasn't it?—A. It was.

Q. What was its business?—A. It had a refinery on Newtown Creek in Brooklyn.

Q. In Brooklyn?—A. In Brooklyn.

Q. Engaged in business in competition with the Standard refineries?—A. I do not know to what extent of competition.

Q. Selling its products?—A. It was selling its products. Whether it had special markets of its own or not I could not testify.

Q. You did not sell its products or have anything to do with it, did you?—A. No, sir.

Q. Who were the owners of it?—A. The principal owners were Mr. Bolan and Mr. Riggs.

12990 Q. The Standard interests first purchased 80 per cent of the stock, I see?—A. Yes.

Q. To whom was it transferred?—A. It was purchased in 1881.

Q. It says here by William Rockefeller and J. D. Archbold, trustees.—A. For Standard Oil interests.

Q. For Standard Oil interests—Standard Oil stockholders?—A. Standard Oil stockholders.

Q. Not for the Standard Oil Company?—A. Not for the Standard Oil Company.

Q. That is, you held it for all the stockholders of the Standard Oil Company, as individuals?—A. As individuals.

Q. Was it purchased for cash or Standard Oil stock?—A. Cash, as I recall.

Q. Who continued the operation of the business?—A. Col. Bolan and Mr. Riggs.

Q. And they retained their minority interests?—A. They did.

Q. How long did they continue to operate it?—A. They continued to operate it as long as it could be operated.

Q. Until 1891?—A. In 1891 it was leased to the Sone & Fleming Manufacturing Company.

Q. And in 1899 sold to the Standard Oil Company of New York?—A. To the Standard Oil Company of New York in 1899.

Q. Page 11. Will you refer to the Vacuum Oil Company. What was the business of this company at the time you acquired its stock interests?—A. They were manufacturers of lubricating oil.

Q. Where?—A. At Rochester, New York.

Q. Who were the managers of it or the owners of it?—
12991 A. The owners were the Messrs. Everest—H. B. and C. M. Everest. There may have been others, but they were the principal ones.

Q. They retained a minority interest, did they?—A. They did.

Q. Did they continue to operate it?—A. They did.

Q. That company was manufacturing and selling lubricating oil, was it not?—A. It was.

Q. At that time—at the time of its acquisition of the stock interest—it was in competition with other Standard Oil interests, was it not?—A. I do not know to what extent of competition. They had their own specialties and they occupied a field of their own, practically.

Q. They were selling lubricating oils generally, were they?—A. They were selling their own special products, of course; yes.

Q. You were selling your special products?—A. Oh, yes.

Q. And your special products came in competition with theirs?—A. I think theirs had a special quality that was recognized in the trade as a brand—as a specialty.

Q. Isn't it a fact that the Vacuum Oil Company continued to sell to railroads until about the year 1896, when all that railroad business was turned over to the Galena-Signal Oil Company?—A. My general recollection is that they had very little railroad trade. They may have sought railroad trade—probably they did; but I am not sure as to that.

Q. And wasn't it a fact that the Vacuum Oil Company was for many years held out as an independent company—as not con-
12992 nected with the Standard Oil Company?—A. I have no knowledge of any such holding out.

Q. Did that company not acquire a good many railroad contracts?—A. I don't know how many. They probably had some railroad business.

Q. It is not doing a railroad business now, is it?—A. I don't know; I imagine it is.

Q. Selling lubricating oil under contracts?—A. I could not say positively; I should think so.

Q. Isn't all the railroad business of the United States in the hands of the Galena-Signal Oil Company?—A. I should not think all the business.

Q. 97½ per cent, isn't it?—A. I don't know what percentage.

Q. You don't know?—A. No.

Q. You do not pay much attention to the Galena-Signal?—A. I do not in its detail.

Q. Well, that company is still in operation and is one of the companies owned by the Standard of New Jersey, is it?

Mr. ROSENTHAL. It so appears.

A. Yes, sir.

Q. Does Mr. Everest still operate it?—A. Mr. Everest still operates it.

(A recess was here taken until 2 o'clock p. m., at which time the cross-examination was resumed, as follows, by Mr. Kellogg.)

12993 Q. Mr. Archbold, will you refer to page 11; H. C. Van Tine & Company (Limited). That was organized, I see, by Standard Oil interests. The date is not given. Do you know about when that was?—A. I can not fix from memory the date.

Q. What was the H. C. Van Tine Company (Limited)?—A. They had a small works at Allegheny, Pennsylvania.

Q. Refinery?—A. A small refinery.

Q. Who were the men managing it?—A. Mr. Van Tine.

Q. This was in operation previous to that time?—A. I think it had been.

Q. As a refinery?—A. As a refinery.

Q. Doing business in competition with the Standard Oil refineries?—A. Well, I don't know to what extent of competition.

Q. Manufacturing and selling the products of patroleum?—A. Yes.

Q. And was the organization of this company a part of the plan of the purchase?—A. I judge it to have been so.

Q. The Standard interests took 75 per cent of the stock and who kept the balance?—A. I think Mr. Van Tine.

Q. And did he continue to operate the plant?—A. He did for a short time.

Q. For how long?—A. I see the company liquidated in 1886.

Q. Did he continue to operate it until that time?—A. Before that time I think he continued to operate it.

Q. That, with the companies Mr. Rockefeller testified to, includes all of the companies who were named in the trust agreement
12994 of 1882, I believe. Now, as to all of these companies named in this exhibit about which you have testified, the interest acquired was a stock interest, was it not?

Mr. ROSENTHAL. No; he specifically testified to a number of cases where it was not.

Mr. KELLOGG. Please answer.

A. Well, I couldn't answer without going over the list again as to what——

Q. It was either a stock interest or a corporation was organized at the time of the purchase and stock interest taken, isn't that true?—A. I don't know whether that was true in every case or not, without going over the list.

Q. Well, I mean corporation or limited partnership; I call a limited partnership the same, because it has stock.

Mr. ROSENTHAL. Chess, Carley & Company, for example, was a plain copartnership when we originally acquired an interest in it.

Mr. KELLOGG. But it was afterwards transferred into a corporation and you took a stock interest.

Mr. ROSENTHAL. Some years after.

Q. Is it not true that at some time before the organization of the trust all of your interests were represented by stock interests?—A. The record will show whether they were all stock companies.

Q. Well, you have just been over every one of them except a few that Mr. Rockefeller testified to.—A. Yes; I would have to go over them again to see if there was no deviation from the rule. That was the rule, certainly.

12995 Q. Do you know in whose name those stocks were held after they were acquired for the benefit of the stockholders of the Standard Oil?—A. I do not know from memory; no, sir.

Q. Well, after the agreement of 1879 in whose name were they held?—A. I imagine that after the agreement of 1879 they were mostly held in the Vilas, Keith & Chester trust.

Q. Well, do you know that on the books of the local companies they were actually transferred to Vilas, Keith & Chester?—A. I can not tell you; no.

Q. Have you books in the office that will show in whose name those stocks stood during those years up to the time of the transfer to the trustees?—A. I do not know.

Mr. ROSENTHAL. We can give you most of them now, if you want them.

Mr. KELLOGG. Will you furnish a list of them?

Mr. ROSENTHAL. I think we can furnish you a tabulated list; in the main, anyway.

Q. The trust was organized in 1882?—A. The Standard Oil trust; yes, sir.

Q. Prior to that time, then, all of the stock of these 39 companies—stock in corporations or in limited partnerships—was held for the benefit of all the stockholders of the Standard Oil Company; that is correct, is it not?—A. That is correct.

Q. And that list of stockholders appears on page 41 of the bill of complaint in the trust agreement, does it not?

Mr. ROSENTHAL. Page 41 is what? The names of the sign-
12996 ers to the trust agreement?

Mr. KELLOGG. The names of the signers to the trust agreement.

Mr. ROSENTHAL. It may go of record that the persons who signed the trust agreement were the stockholders, and all of the stockholders, of the Standard Oil Company of Ohio, excepting Vilas, Keith & Chester.

Mr. KELLOGG. Yes.

Q. Now, then, that is correct, is it?—A. It is.

Q. Then, during the years previous, as these stocks were acquired in some of these companies, the stocks were paid for by the stock of the Standard Oil Company and the stock list of the Standard Oil Company grew from time to time, didn't it?

Mr. ROSENTHAL. During what years?

Mr. KELLOGG. Previous to 1882.

Mr. ROSENTHAL. Up to 1875 or '6 I think the record shows that was the case.

Q. Please answer your understanding about that.—A. I do not recollect as to it having been paid for in stock.

Q. Well, you heard the testimony or you know of the testimony of Mr. Rockefeller as to a large number of these, don't you?—A. I haven't it in mind.

Q. Well, you know the stockholders of the Standard Oil Company of Ohio in 1872 did not include that 40 or 50 names, don't you?—A. In 1872 I was not connected with them.

Q. It did not include your name, did it?—A. I was not in any way related to it in 1872.

12997 Q. Well, then, it is a fact, isn't it, that from time to time prior to 1875 or '6 the Standard Oil Company took in as stockholders men who had been stockholders in these various companies, Warden, Frew & Company, Charles Pratt & Company, and various others?—A. Well, I had no knowledge of the business at that time.

Q. Had no knowledge of the business, and you don't know anything about it?—A. I don't know anything about it.

Q. Well, in 1882 all of the stocks of all these companies named in the list about which you have been testifying were held for these stockholders of the Standard Oil Company as individuals, were they?—A. I assume that they went into the trust in that shape.

Q. They were held previous to the trust by the stockholders as individuals, weren't they?—A. The stock of these various companies?

Q. Yes.—A. It was held by Vilas, Keith & Chester from 1879 for the benefit of the individual shareholders.

Q. As individuals?—A. As individuals, yes.

Q. Then, in 1882 those individuals entered into this contract known as the Standard Oil Trust?—A. They did.

Q. And they turned in their individual stocks to the trustees named thereinto, didn't they?—A. They did.

Q. Nine trustees?

Mr. MILBURN. That is not a fair question, Mr. Kellogg. They turned in their interest in all those stocks. That is what they turned in.

WITNESS. Yes.

12998 Q. They owned those stocks as individuals, didn't they, Mr. Archbold?—A. They were held under the trusteeship.

Q. But held for these men, were they not?

Mr. ROSENTHAL. They were held for the stockholders of the Standard Oil Company, so the Vilas, Keith & Chester agreement recites.

Q. The stocks prior to the organization of this trust were held by those trustees for these men named on page 41, as individuals, were they not?—A. They were.

Q. Then, those individuals were the equitable owners of those stocks, were they?—A. They were.

Q. Then, those individuals turned those stocks in—their equitable ownership—to the trustees, didn't they?

Mr. ROSENTHAL. No; they were turned in by Vilas, Keith & Chester.

Mr. KELLOGG. Well, the physical possession was turned in by Vilas, Keith & Chester.

WITNESS. Yes.

Mr. MILBURN. The legal title was, and they held the title as trustees.

Q. These men signed the agreement as the owners of the stock, didn't they?

Mr. ROSENTHAL. What agreement?

Mr. KELLOGG. The trust agreement.

Mr. ROSENTHAL. So did Vilas, Keith & Chester, as trustees.

Q. They simply signed as trustees, did they? Is that right?—A. Yes, I suppose so; I don't know.

12999 Q. These individuals signed as the owners of the stock, didn't they?—A. I suppose the paper itself recites just what occurred.

Q. You know what was done, don't you?—A. I know that the stocks were from Vilas, Keith & Chester and from the individual owners in the stock of the Standard Oil Company of Ohio turned in to the trust.

Q. Vilas, Keith & Chester agreed in this agreement to hold them for the benefit of this list of stockholders named in the trust agreement and to divide and distribute the same between the persons for whose benefit they held them, didn't they?

Mr. ROSENTHAL. What are you reading from now?

Mr. KELLOGG. I am reading from the trust agreement of 1879.

Q. Didn't they agree to do that?

Mr. ROSENTHAL. That is objected to upon the ground that the agreement itself is the best evidence of what was then agreed to, and that agreement appears to be in writing. Let me give Mr. Archbold a copy of it, if you want his legal interpretation on it.

Mr. KELLOGG. Well, I want to know what they did. I am just calling his attention to that. Please answer the question.

Mr. ROSENTHAL. Just a minute, Mr. Archbold, until I get a copy of it [handing paper to the witness]. Now let us see how good a lawyer you are. Now, what is the question? The question will be read to you again, Mr. Archbold.

(The question was read by the reporter.)

Q. Page 4 of the agreement—that agreement to dis-
13000 tribute.—A. Shall I read the clause?

Q. No; I want to know if that was your understanding of it.

Mr. ROSENTHAL. Well, read it.

A. (Reading.) "And to divide and distribute the same as soon as they can conveniently do so between the said persons for whose benefit they hold the same, as aforesaid, and in the respective proportions aforesaid."

Q. Well, now, did they do it?—A. (Reading.) "With full power and authority to the survivors of the said trustees"——

Q. You needn't read the balance.—A.——"in case of the death of either of them to nominate and appoint a successor to such deceased trustee, if they shall think it expedient so to do, or else to continue the said trust without filling such vacancy."

Q. Well, did they distribute them?

Mr. ROSENTHAL. Distribute them to what? To the individuals?

Mr. KELLOGG. Yes. Did they distribute them?

A. I suppose they disposed of them in accordance with the instructions of the individual beneficiaries.

Q. The individuals were the owners of them and they instructed them what to do with them, did they?—A. They were the beneficial owners.

Q. Who were these men who signed this agreement who were not stockholders?—A. Well, I could not say from memory whether there are any signatures here other than Vilas, Keith & Chester who were not stockholders in the Standard Oil Company of Ohio.

Q. Mr. J. F. Freeman, Mr. George W. Girty, Mr. H. B. Spelman do not appear in the list, do they?

Mr. MILBURN. We all know who they were, and that is in
13001 the record, isn't it, Mr. Kellogg? He may not know.

WITNESS. I do not know.

Q. Well, the stocks did not all stand—were not all in the hands of Messrs. Vilas, Keith & Chester, were they?

Mr. ROSENTHAL. When?

Mr. KELLOGG. At the time the trust agreement was made.

Mr. ROSENTHAL. Do you mean before or after?

Q. Do you know that?—A. I do not.

Q. All right. If you don't know, we will let it go then.—A. I assume that they were.

Q. Were these stocks divided among the beneficial owners?—A. They were put into the hands of the trustees under the directions of the beneficial owners.

Q. Were they actually divided? Did you get your stock in these companies?—A. I got my trust certificates, which represented the stocks.

Q. In 1882; but I mean prior to 1882, Mr. Archbold.—A. My stocks were in the hands of Vilas, Keith & Chester as trustees, as I remember, and went from Vilas, Keith & Chester to the trustees.

Q. Well, you got certificates of the trustees in payment for your interest in the stocks of these various companies, didn't you?—A. I did.

Q. The stock certificates were issued to you by the trustees, were they?

Mr. ROSENTHAL. Let us have that last question read, will you, please?

(The question was read by the reporter, as follows: "Q.
13001 Well, you got certificates of the trustees in payment for your interest in the stocks of these various companies, didn't you?")

Mr. ROSENTHAL. It wasn't in payment.

Mr. KELLOGG. Just read the answer and see whether it was or not.

Mr. ROSENTHAL. The agreement itself shows what it was for.

Mr. KELLOGG. Well, now, Mr. Rosenthal, you are not testifying. If you will please let Mr.——

Mr. ROSENTHAL. No; but I am——

Mr. KELLOGG. Trying to.

Mr. ROSENTHAL. No; I am neither testifying nor trying to, but I object to your misstating——

Mr. KELLOGG. I have not misstated.

Mr. ROSENTHAL.——that which is in a paper which you hold in your hand.

Mr. KELLOGG. No, sir; I am talking about the trust agreement of 1882.

Mr. ROSENTHAL. The trust agreement specifically provides just how the transfer was made and for what the certificates were issued, and they were not issued in payment of anything; you know it.

Mr. KELLOGG. You are entirely mistaken. I am talking about the trust of 1882.

Mr. ROSENTHAL. So am I.

Mr. KELLOGG. Now, read the question and his answer, please.
13003 (The official reporter read the question and answer.)

Mr. ROSENTHAL. Now, Mr. Archbold, go ahead and finish your answer.—A. I did get trust certificates in exchange for the stocks of the various companies.

Q. Very well. That is what I thought. You exchanged your stocks in these various companies for the trustees' certificates?—A. I did.

Q. And turned your stocks over in all these companies to the trustees and got trustees' certificates.

Mr. ROSENTHAL. That is not what he said. He said he turned them over to Vilas, Keith & Chester, and they turned them over to the trustees, and he got trustees' certificates.

Mr. KELLOGG. Well, if that is any better——

Mr. ROSENTHAL. Let us have it right, whether it is better or worse.

WITNESS. That is right; yes, sir.

Q. Now, the stocks of each one of the separate companies were valued, were they not?—A. There was undoubtedly a value.

Q. That is, the stock of the Acme Oil Company was valued at $1,023,380.77, was it not? I show you the journal entry of the Standard Oil trustees' books, petitioner's Exhibit 250, page 1.—A. I can't tell from memory about this.

Q. Very well. The stock of each separate company was valued, or the book value thereof entered in the books of the trustees, was it not?

Mr. ROSENTHAL. It appears to have been from that; yes.

WITNESS. I am not familiar with this statement from memory.

13004 Q. Is not that what was done?—A. There was a valuation, and this appears to be the record of it.

Q. And trust certificates were issued in exchange for the stocks of each one of those companies, were they?

Mr. ROSENTHAL. That is not what the agreement——

Mr. KELLOGG. Wait a minute. Let Mr. Archbold answer. If that is not it, he can say so.

Mr. ROSENTHAL. Then I submit you should ask a question——

Mr. KELLOGG. I have asked it.

Mr. ROSENTHAL——and not make a statement. When you are undertaking to recite what an agreement shows, you should not put it up to a witness as a statement, and expect it to be answered.

Mr. KELLOGG. I have a right to ask leading questions, and I am going to do it. And I object to your testifying by way of interrupting Mr. Archbold.

WITNESS. What is the question?

Mr. ROSENTHAL. Oh, he is fully able to take care of himself.

Mr. KELLOGG. I have not the slightest doubt of it.

(The reporter read the question, as follows: "Q. And trust certificates were issued in exchange for the stocks of each one of those companies, were they?")

Mr. ROSENTHAL. Now, I submit that the trust agreement which is in evidence fully shows just what was done, and I object to the question, because paragraph 11 of the trust agreement covers the subject-matter of the inquiry fully, and paragraph 11 is as follows: "The trustees shall prepare certificates which shall show the interest of each beneficiary in said trust, and deliver them to the persons prop-

erly entitled thereto. They shall be divided into shares of
13005 the par value of $100 each," etc. The 11th paragraph of the trust agreement, therefore, fully covers just what the inquiry calls for.

Mr. KELLOGG. Is that all of your objection?

Mr. ROSENTHAL. Well, read the question and see. Perhaps I may change and add to it. Just read that question again, please.

(The official reporter again read the question as follows: "Q. And trust certificates were issued in exchange for the stocks of each one of those companies, were they?")

Mr. ROSENTHAL. I think my objection is fully stated, that it is covered by the 11th paragraph of the trust agreement.

Q. Now, please answer the question.—A. I should take my answer from the text of the trust agreement.

Q. Is that the only answer you make?—A. That is the only answer I can make.

Q. You don't know whether trust certificates were issued in exchange for those stocks or not?—A. I have no present recollection of the matter.

Q. Did you get trust certificates for your stocks?—A. I did.

Q. What were the $70,000,000 of certificates issued for?—A. They were issued for the properties that went into the hands of the trustees.

Q. The properties were stocks, weren't they?—A. They were in many cases; whether in every case or not I could not say.

Q. Weren't they in every case? A. I don't know.

Q. Do you know of any property transferred to the trustees other than stocks?—A. I could not remember in detail every
13006 property that was turned over at that time.

Q. Will you look at the list of stocks before you in the journal entry furnished by the Standard Oil Company and see if that is a correct list of stocks transferred to the trustees, for which the certificates were issued?—A. I believe it to be a correct list.

Q. And for that list of stocks $70,000,000 of certificates were issued in exchange; is that correct?—A. It would so appear.

Q. Now, as a matter of fact, the actual value of those stocks was about $56,000,000, wasn't it?—A. No, my recollection is that the actual value was $70,000,000.

Q. What did you mean by their value being $56,000,000, as you testified the other day?—A. I think I testified that that was their book value.

Q. They are set down in the books at $70,000,000, aren't they?—A. I don't know what this was made from. This was probably made from the inventory sheets or the valuation sheets.

Q. Let me take that list.

(List handed to Mr. Kellogg by witness.)

Q. Isn't it a fact that of the $31,495,733.84 listed here as the value of the stock of the National Transit Company, $14,518,061.76 was written off or charged off?—A. I do not remember the details of the valuation.

Q. What valuation were you testifying about when you said about $56,000,000 was the book value?—A. As I recall, that was the book value as shown.

Q. What do you mean by book value?—A. As it appeared on the books.

13007 Q. In other words, that these stocks were taken in at a value of $56,000,000?—A. That was their book value as I recall it. Their inventory value was as there stated—about $70,000,000.

Q. Isn't it the reverse, that their actual value was $56,000,000 and their book value was put down at $70,000,000?—A. I don't think so.

Q. Then, why did you charge off $14,518,061.76 of the value of the National Transit stock?

Mr. ROSENTHAL. When was that done?

Mr. KELLOGG. Right afterward, the same year or the next year.

A. I have no recollection regarding the bookkeeping features of the matter.

Q. And did not the very first balance sheet of the trustees show the actual value of these stocks to be about $56,000,000?—A. I don't recollect as to the balance sheet. I have no recollection of it.

Q. Well, there was some value of $56,000,000 that you had in mind, was there?—A. The book value, as I stated the other day, was about $56,000,000.

Q. How do you know it was the book value?—A. I know by inquiry and investigation.

Q. I show you Exhibit 940 which Mr. Rockefeller testified to the other day, in which appears the following: "Difference between par value of certificates issued January 1, 1882, $70,000,000, and actual

13008 value of property acquired for same, $55,710,698.24, being $14,289,301.76," and ask you if after looking at that balance sheet of 1882 you are not mistaken, and that it was the actual value that was $55,710,698.24 instead of the book value.

(Witness examines paper.)

Mr. ROSENTHAL. That was taken from the trustees' ledger?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. That did not show book value at all?

Mr. KELLOGG. The book value is $70,000,000.

Mr. ROSENTHAL. The book values as they appear upon the trustees' ledger do not pretend to show the book values as they appeared on the books of the various corporations.

Mr. KELLOGG. Oh, no.

Mr. ROSENTHAL. Not at all.

Mr. KELLOGG. No, that is the trustees' ledger. That is the value of the stocks.

Mr. ROSENTHAL. That is not the same book value that Mr. Archbold is talking about at all.

Mr. KELLOGG. I am talking about the book value on the books of the trustees. There was not any book value in the subcompanies.

Mr. ROSENTHAL. Stocks have a certain book value, which appears upon the books of the individual corporations, and then they have as against that an actual value.

Mr. KELLOGG. There has been no question asked about the books of the subcompanies at all. I am talking about the books of the trustees, and so is Mr. Archbold. Now, will you read, Mr. Archbold, the question, and I will ask him to answer it.

13009 (The reporter read the question, as follows: "Q. I show you Exhibit 940, which Mr. Rockefeller testified to the other day, in which appears the following: 'Difference between par value of certificates issued January 1, 1882, $70,000,000, and actual value of property acquired for same, $55,710,698.24, being $14,289,301.76, and ask you if after looking at that balance sheet of 1882 you are not mistaken, and that it was the actual value that was $55,710,698.24 instead of the book value?' ")

Q. Please answer. Is not that right?—A. I do not think I am mistaken.

Q. How do you explain that?—A. I think that this means that the $55,000,000 figure is the book value.

Q. It says the actual value, doesn't it?—A. It also says the par value above is $70,000,000.

Q. And the actual value is $55,000,000?—A. The terms, however, are bookkeeping terms. I do not know about the statement. I do not know about bookkeeping very much, but I have a distinct recollection of my own, and it has been confirmed by recent investigation, that my statement regarding the matter is correct.

Q. What does "actual value" mean?—A. "Actual value" means inventory value.

Q. It does not mean the real value of the property?—A. The actual value means the real inventory value of the property.

Q. Very well. Then the real inventory value of the stocks put in was $55,000,000 and some hundreds of thousands, was it?—A. No, it does not say so.

13010 Q. What does it say?—A. "Actual value of property acquired for same, $55,000,000;" but it says just above that the par value of the certificates was $70,000,000.

Q. And the actual value that went into the certificates was $55,000,000. Is not that right?—A. I think that should be book value.

Q. You think that is a mistake in the entry?—A. I don't know anything about this record, or what it was made from.

Q. It is made from the books of the trustees.—A. But my recollection is as I state, and I would a great deal rather have that than this. I don't know how it was made.

Q. It was made from the entries made by the Standard Oil Company, and brought here, and we presume it to be correct.—A. It is probably an entry made by some bookkeeper. I don't know anything at all about it.

Q. Your recollection is that the book value was $55,000,000, and the actual value $70,000,000?—A. Yes, sir.

Q. Now you say that has been confirmed by recent investigations?—A. Most careful recent investigations.

Q. What did you investigate?—A. Investigated the record in that respect.

Q. What records?—A. The records that were obtainable of the condition of affairs at that time.

Q. You have got the trustees' records, have you?—A. The parties making the investigation went into it in the most careful way possible.

Q. Then it must have been done from the trustees' records?—A. I don't know what records they had.

13011 Q. Very well. Where are those trustees' records? I would like to see them. Will you bring them in?

Mr. ROSENTHAL. You have had the trustees' ledger and examined every page of it.

Mr. KELLOGG. I want the records.

Mr. ROSENTHAL. You have had certain journals of the trustees, which were very cheerfully turned over to you a year ago.

Q. Have you investigated the trustees' balance sheets to see whether that statement I hand you is correct?—A. I did not personally, but it was done and reported to me in the most careful way as I say.

Q. Very well, who reported it to you?—A. Our counsel.

Q. He examined it. Then where is the balance sheet from which that statement is taken?—A. That I do not know.

Q. If it is in your office, will you produce it?—A. Anything that I have that you have not had, so far as I am concerned, I know of no reason in the world why you should not have it if I have it.

Q. Then produce the original balance sheet of 1882 showing the actual value of these stocks for which the $70,000,000 of certificates were issued.—A. I will make inquiry for it.

Q. From 1882 the trustees held all these stocks down to the time of the dissolution, didn't they?—A. They did.

Q. When was the dissolution?—A. In 1892.

Mr. ROSENTHAL. It began in 1892.

WITNESS. It began in 1892.

13012 Mr. ROSENTHAL. And was completed in 1899?

WITNESS. Yes.

Q. The resolution for the dissolution of the trust was passed by the trust certificate holders in March, 1892, wasn't it?—A. I believe it was.

Q. You were present at that meeting?—A. I think so.

Q. Why was it dissolved?—A. It was dissolved because of an order of the supreme court of Ohio.

Q. In obedience to the decree of the supreme court of Ohio?—A. Yes, sir.

Mr. ROSENTHAL. Does not the resolution recite the reasons for its dissolution?

Mr. KELLOGG. No; it just dissolves it.

Q. At the time of the dissolution of the trust there were a large number of holders of trust certificates, were there not?—A. There were.

Q. About how many?—A. I haven't it in mind.

Q. Did the trustees keep stock certificate books showing the issue and transfer of the stock from time to time?—A. They did.

Mr. ROSENTHAL. You mean from 1882 to 1892?

Mr. KELLOGG. Yes, from 1882 to 1892.

WITNESS. They did.

Mr. ROSENTHAL. Transfer of the certificates, you mean?

Mr. KELLOGG. Yes.

Q. Those books were the ordinary certificate books and trust certificate journals or ledgers, weren't they?—A. I suppose they were.

13013 Q. And they showed from time to time the owners of those various trust certificates?—A. Undoubtedly.

Q. Have you those books?—A. I have not.

Q. Do you know where they are?—A. I do not.

Q. Have you ever looked for them?—A. I have not.

Q. Did you know a year ago that the Government was trying to get hold of those books?—A. I don't remember particularly about it.

Mr. ROSENTHAL. That is a joke, Mr. Archbold.

Mr. KELLOGG. Oh, no. It may be a joke for you.

Mr. ROSENTHAL. He does not mean that. That is only a joke.

Q. Do you know that various witnesses were asked about those books, and that they could not find them?—A. I think I have heard the matter referred to.

Q. Have you made inquiries to see if you could find them?—A. I have not.

Q. Will you do so?—A. I will, with pleasure. I know of no reason on earth why you should not have them.

Q. Well, I don't, either, but we have not been able to get them for the last year.—A. You have not tried to, have you?

Q. Oh, yes.

Mr. ROSENTHAL. You have not tried by any proper method.

Mr. KELLOGG. We have asked every person who has been on the stand who is supposed to know anything about it.

Q. Now, where are they, Mr. Archbold?—A. I don't know where they are. If I can find them you shall have them. I can not

13014 imagine that there is anything in them that you should not have.

Q. I want the list of holders of trust certificates who participated in that dissolution. Mr. Rockefeller said he thought there were two or three thousand of them. What is your recollection?

Mr. ROSENTHAL. That is not what Mr. Rockefeller said.

Mr. KELLOGG. Yes.

Q. What is your recollection?—A. It would be the merest guess on my part as to the number of certificate holders at that time. I would not undertake to guess.

Q. You have no idea? Shortly after the dissolution quite a number of the holders of trust certificates presented their trust certificates and obtained their stock in the various subcompanies, didn't they?

Mr. ROSENTHAL. You mean after the dissolution began, Mr. Kellogg?

Q. Yes, shortly after the resolution.—A. They did.

Q. Now, I think you said the other day that parties holding a large majority, if I understood you correctly, did that?—A. I think quite a large majority—a majority of the stock, I mean.

Q. A majority of the certificates?—A. Majority of the number of shares; not in numbers of shareholders.

Q. That is what I mean, a majority in number of shares.—A. Yes, sir; that is right.

Q. I am not talking about the number of shareholders.—A. No.

13015 Q. Now, isn't it a fact that it was a bare majority of the trust certificate holders who presented their certificates and obtained their stock in the subcompanies, and that all of the balance held their trust certificates or assignments of legal title for a number of years?

Mr. ROSENTHAL. The exact majority appears in an exhibit which we furnished you, I think.

Q. Isn't it a fact that about 494,619 certificates out of 972,500 presented their certificates and received stock in the subcompanies?

Mr. ROSENTHAL. If the exhibit which we furnished you states that, it may go as the fact in the record, of course.

A. I can not tell from memory. I have no doubt of the correctness of any exhibit we made in the matter.

Q. It appears also by the exhibit that the following named parties were the only ones who shortly after the resolution of dissolution returned their certificates and accepted certificates in the subcompanies: John D. Archbold, Emma B. Auchincloss, Benjamin Brewster, H. M. Flagler, Charles W. Harkness, Annie B. Jennings, Esther J. Jennings, Helen G. Jennings, Oliver B. Jennings, Walter Jennings, O. H. Payne, estate of Charles Pratt, Henry H. Rogers, John D. Rockefeller, William Rockefeller, William H. Tilford. Now, are not those the parties who returned their trust certificates and obtained their stock in the subcompanies?—A. I could not recite it from memory. If that is an exhibit that we have made, I have no doubt of its correctness.

13016 Q. That is an exhibit showing the distribution in the Standard Oil of New York, except 1 share to each of certain directors.—A. I have no doubt, if that is our exhibit, that it is correct.

Q. Now, is not that your recollection, that those are the parties in 1892 who really cancelled their certificates and accepted their stock in the subcompanies?

Mr. ROSENTHAL. I think the exhibit so clearly shows, doesn't it.

Mr. KELLOGG. As to this one company only.

Mr. MILBURN. Take it for all.

Mr. ROSENTHAL. Take the same for all of the companies as the fact.

Q. Is that your recollection of it?—A. Well, I could not from memory have recollected the names or amounts, or the parties.

Q. What efforts did you make between that time, in 1892, and 1898, to have the other stockholders return their certificates and accept stock in the subcompanies?—A. The stockholders were all notified of the change and requested to submit their trust certificates for exchange into the stocks of the companies.

Q. Why didn't they take their stocks in the subcompanies?

Mr. ROSENTHAL. Or exchange into assignments of legal interest.

WITNESS. Yes.

Q. Why didn't they get their stocks in the subcompanies?—A. They did not want to exchange a security that was tangible and available for something that was unavailable and intangible.

13017 Q. Why didn't you complete the dissolution by requiring them to present their certificates and take stock the same as you did?—A. My recollection is that we were advised that we had no legal power to compel them to make this substitution.

Q. Well, you did it in 1898 and 1899?—A. We did it after having——

Mr. ROSENTHAL. Do you mean you did compel them to, or that you did exchange?

WITNESS. We did not compel them to. We did make the exchange in 1899.

Q. How did they happen to do it in 1898 and 1899?—A. After having found a way under legal advice in which they could be held in a common ownership. The indisposition of the owner of the trust certificate was very easily explained. For him to have taken fractional shares of stock, as would have been true in very many cases in these different companies, would have been almost a destruction of value; certainly a destruction of any ability to sell or any ability to borrow on the security.

Q. Did you and your associates who were the principal trustees whose names I have given simply have your stock transferred into stock of the subcompanies so that during those years you might control the subcompanies and give the impression that you had liquidated the company in good faith?

Mr. ROSENTHAL. I submit that that question is a double question, which should be divided in order to enable the witness to answer it.

13018 Q. Please answer the question.—A. Will you read the question, please?

(The reporter read the question, as follows: "Did you and your associates who were the principal trustees whose names I have given simply have your stock transferred into stock of the subcompanies so that during those years you might control the subcompanies and give the impression that you had liquidated the company in good faith?")

Q. What is your answer?—A. We made the transfer in absolute good faith, in accordance with the decree of the Ohio court, and in pursuance of the resolution as recited. We had no ulterior purpose in it whatever. We were there to conserve the very best interests of the business.

Q. Intending absolutely to dissolve the trust?—A. Certainly.

Q. And it was dissolved in good faith, and the stock all distributed as fast as the parties would take it?

Mr. ROSENTHAL. Whether it was dissolved or not is a question of law, perhaps, and not a question of fact. I do not know that the witness can tell whether it was dissolved.

Q. It was dissolved in good faith, was it?—A. The action was taken in good faith.

Q. And the trust dissolved in good faith, was it?

Mr. ROSENTHAL. I object to that upon the ground that that is a legal question. I have no objection to the witness sating that whatever they did as a matter of fact they did in good faith, but I object to his stating the legal reasons for something that he does not know about.

13019 Q. Please answer the question.—A. If there is a legal question involved in it, I can not answer as to that. I only know that what was done was done in absolute good faith and with a view to conserving the best interests of all concerned in the matter.

Q. Did you intend to dissolve the trust, or didn't you?

Mr. ROSENTHAL. I object to that. I submit that the witness may tell what was done as a matter of fact. He does not know whether the trust was dissolved or whether it was not dissolved. That is a question of law.

Q. Please answer the question.—A. I think the resolution is the best answer to that.

Q. Is that the only answer you will make?—A. That is the answer.

Q. Well, then, did you intend not to dissolve the trust?

Mr. ROSENTHAL. I object to that for the same reason.

Q. Mr. ARCHBOLD?—A. I think the resolution is the best answer to that.

Q. Did you intend to do what the resolution recited on its face?—A. I think the resolution itself is the answer.

Q. Did you intend in good faith to carry out that dissolution?—A. I stand on the record of the resolution itself.

Q. Did you, in fact, carry out that dissolution?

Mr. ROSENTHAL. Carry out what dissolution?

Mr. KELLOGG. Provided for in that resolution.

Mr. ROSENTHAL. I object to that. The witness has told exactly what was done from 1892 to 1899.

Q. Please answer the question.—A. I stand on the resolution and on the record.

13020 Q. Prior to the reorganization of the Standard Oil of New Jersey, did you distribute all of the stocks of the subcompanies to the owners?—A. They must have been so distributed before their conversion into the stocks of the Standard Oil of New Jersey.

Q. So, that before the stocks of these various companies went into the Standard Oil of New Jersey, it had been distributed to the owners, had it?—A. Prior to their receiving the stock of the Standard Oil of New Jersey it must have been put in the way of such conversion. I am not familiar with the details of it—that sort of a question.

Q. That stock was distributed then to a large number of people, was it?—A. I am not familiar enough with the actual method employed in the act of transfer from the one form to the other to be able to testify clearly about it.

Q. You know whether there were a large number or a small number of holders of trust certificates, don't you?—A. There was a very considerable number.

Q. About how many?—A. I could not say from memory.

Q. 1,500 or 2,000?—A. There may have been; yes.

Q. Then, the stock of these subcompanies was distributed to some 1,500 or 2,000 people. Is that true?—A. Either the stock or the evidence of their interest in it, in the shape of——

Q. And the holders——

Mr. ROSENTHAL. Wait a minute. Do you mean by that that it was distributed to the 1,500 or 2,000, if that is the number?

WITNESS. No; I should say that the great majority of
13021 them held their interest in the form of an evidence of legal interest.

Q. You signed an answer in this case, didn't you, Mr. Archbold?

Mr. MILBURN. Did he?

Mr. ROSENTHAL. I don't think he did.

Mr. KELLOGG. He purports to have signed it.

Mr. MILBURN. If he purports to have signed it, he did.

Mr. KELLOGG. The answer that was given us was signed by John D. Archbold.

Mr. ROSENTHAL. By whom?

Mr. KELLOGG. By his counsel.

Mr. ROSENTHAL. Well, well!

Mr. KELLOGG. Well, I did not suppose counsel would sign anything that is not true.

Mr. ROSENTHAL. Undoubtedly not.

Mr. KELLOGG. Very well, then it may be taken as true, may it, as far as you are concerned?

Mr. MILBURN. It is a big assumption that he knew much about what was in it.

Mr. ROSENTHAL. If you will treat the answer as having been made under oath, it may be taken as true.

Mr. KELLOGG. Let us see what he said in the answer: "They admit that the Standard Oil Company of New Jersey acquired shares of

stock of some of the so-called subsidiary corporations from the owners thereof, but they deny that it acquired said shares either through the exchange of liquidating certificates of assignment or
13022 original trustee certificates referred to in the petition, and they aver that in no instance did the owners of such certificates of assignment or original certificates transfer the same to the Standard Oil Company of New Jersey." Is that true?

Mr. ROSENTHAL. That is just what he has said here, just a moment ago.

Q. Is that true?—A. I assume it is.

Q. Then, before the Standard Oil Company of New Jersey got the certificates of stock of all these subcompanies they had been distributed by the trustees of the trust to the holders and owners thereof, had they?

Mr. ROSENTHAL. Or their representatives.

Q. Is that true?—A. They were, to them or their representatives.

Q. That is, to them or somebody representing them?—A. Yes.

Q. That is the same as though they were distributed to them, isn't it?—A. It may be——

Mr. ROSENTHAL. I object to that. You don't want his legal judgment on that, do you?

Q. Then, the owners of all of these stocks in these subcompanies turned them in to the Standard Oil Company of New Jersey and received certificates of stock in that company, didn't they?

Mr. ROSENTHAL. The owners or their representatives.

Q. Mr. Archbold?—A. They or their representatives.

Q. You turned yours in, didn't you, and got stock in the subcompanies?—A. I did.

Q. In the Standard Oil Company?—A. In the Standard
13023 Oil Company, I did.

Q. How did it happen that from 1892 to 1897 or '98 these holders of trust certificates kept them or kept the assignments of legal title, and then suddenly in 1898 they liquidated them and took their stock in the original companies?—A. The suggestion of the Standard Oil Company of New Jersey as a holding company was made by counsel as a method of bringing together, of holding, the interests.

Q. Proceedings had been started in Ohio to punish the Standard Oil Company of Ohio for contempt, for not having in good faith withdrawn from the trust, had they not?—A. I do not recall specifically about it. There have been more or less proceedings in Ohio at almost all periods.

Q. There was a proceeding started about 1897 and inquiry into the fact as to whether the trust had been dissolved, wasn't there?—A. I could not state from memory.

Q. You don't remember that?—A. No.

Q. Has that entirely gone out of your memory, Mr. Archbold, or do you remember something about it?—A. I don't think I recall about it at all.

Q. Is that so? Well, shortly after that proceeding it appears that the trust certificates were all turned in, practically all turned in, and the stocks of the original company distributed.

Mr. ROSENTHAL. I think it was done before that proceeding terminated, wasn't it?

Q. I said shortly after the institution of that proceeding.—A. I have no recollection of any such proceeding, but I can
13024 not remember that that proceeding was the reason for seeking a method for the holding of these securities.

Q. The proceeding in the supreme court of Ohio?

Mr. MILBURN. Do you mean the contempt proceeding?

Mr. KELLOGG. The contempt proceeding, yes, in which it was claimed they had not dissolved the trust in good faith.

Mr. ROSENTHAL. What is your claim now?

Mr. KELLOGG. I am just trying to find out what Mr. Archbold's claim is.

Mr. ROSENTHAL. He is not making any. He is telling facts.

The EXAMINER. We will take a short recess.

(A recess was here taken for five minutes.)

Q. You testified that the Standard of New Jersey had a certain amount of property at the time its capital was increased to $110,000,000?—A. Yes, sir.

Q. And a list, I believe, of its properties in a general way has been presented. Now, why did you make the Standard Oil of New Jersey the holding company and take these stocks into the Standard of New Jersey?

Mr. ROSENTHAL. I object to the characterization of it as being a holding company. That perhaps is a legal question, not a question of fact.

Mr. KELLOGG. I use Mr. Archbold's language, which he used a few moments ago.

Mr. ROSENTHAL. There is no objection to the witness telling exactly what was done and, if he knows, why it was done.

Q. Please answer.—A. We were, of course, advised in the matter by counsel that the laws of the State of New Jersey offered the
13025 most liberal treatment in a corporation way, and that they could hold these interests.

Q. The trust had been dissolved, and the Standard Oil was made the holding company to take over the same stocks, was it?

Mr. ROSENTHAL. I object to that question upon the ground that whether it was a holding company or not is a question of law and not a question of fact.

Mr. KELLOGG. Please read the question to the witness.

(The official reporter read the question as follows: "Q. The trust had been dissolved, and the Standard Oil was made the holding company to take over the same stocks, was it?")

Mr. ROSENTHAL. Now first as to whether the trust had been dissolved, that has been answered.

Q. Please answer the question.—A. I can only repeat that we were advised that the corporation in New Jersey could legally hold and become the owner of these stocks—by becoming the owner could legally hold them.

Q. Why didn't you continue to hold them in the trustees' names?—A. Because of the action in the dissolution of the trust.

Q. That had been ended, had it?—A. It had been practically ended in 1892.

Q. And so this plan was gotten up to take the place of it. Is that true?—A. This plan was gotten up to succeed to the ownership, which had, of course, been held, as is known, all the way through.

13026 Q. And these various stockholders, then, as you have described, presented their stocks to the Standard of New Jersey, and they got certificates of stock in that company, did they?—A. I am not entirely familiar with the machinery employed in accomplishing the transfer, but a method was arranged by which the smaller shareholders, large numbers of them, were enabled to make the exchange without themselves coming—each one individual coming—into actual possession of the shares of the various companies.

Q. Then he did it, or somebody did it for him?—A. There was a method arranged.

Q. Now you have presented Exhibit 271 here as a list of Standard Oil companies whose stocks are owned by the Standard Oil of New Jersey. If you will take that list, there are a few companies I would like to ask you about.

(Paper handed the witness by Mr. Rosenthal.)

Q. What was that S. T. Baker Oil Company on page 1?—A. Organized by Galena-Signal Oil Company in 1905, entire stock being taken by Galena-Signal Oil Company.

Q. What was the S. T. Baker Company and what was its business prior to the time that the Galena-Signal Oil Company got it?—A. I have no knowledge of the matter.

Q. It says "Commercial house in New York." Do you know anything about it?—A. I do not. I do not know about that.

13027 Q. Borne-Schrymser Company, on page 2. You say that was organized in 1893 by the Standard Oil Company of New Jersey. What was it organized for?—A. It purchased at the time of its organization trade-marks, etc., of the firm of Borne, Schrymser & Company, compounders and marketers of lubricating oils in New York City.

Q. Prior to the purchase, then, in 1893, by the Standard Oil of New Jersey, Borne, Schrymser & Company were in business in New York, were they?—A. They were.

Q. What was their business?—A. Compounders and marketers of lubricating products.

Q. They were quite a large concern?—A. I don't know how large.

Q. Doing business in what territory generally?—A. I really do not know.

Q. Selling lubricating oils throughout the United States?—A. Selling lubricating oils.

Q. In competition with the Standard Oil companies?—A. I don't know how much in competition with the Standard Oil Company.

Q. They were not doing business for you or with you?—A. No; but whether they had a special trade or a special locality I do not know.

Q. Well, your companies were selling lubricating oils at the same time?—A. We were; yes, sir.

Q. Then this company must have been selling in competition with you?—A. They probably had their own special trade-marks and brands, specialties.

Q. You purchased that company, did you?—A. We did.

13028 Q. And as a part of that purchase was the Borne-Schrymser Company, organized as a corporation?—A. I think it was.

Q. And its stock taken by the Standard Oil Company of New Jersey?—A. The Standard Oil Company of New Jersey.

Q. Who continued to operate it?—A. I think the old firm continued for some time.

Q. Still operating it?—A. I think it is still in operation; I am not entirely sure about that.

Q. Still operated as a separate company, isn't it?—A. I am inclined to think it is; I am not sure.

Q. Now, the Continental Oil Company, you said, was organized by the trustees of the Standard Oil Trust with minority stockholders. Who were the minority stockholders of the Continental Oil Company?

Mr. ROSENTHAL. Just a minute, Mr. Archbold. Perhaps we can give it to them now. I think that already appears in Mr. Tilford's testimony as being Isaac E. Blake, doesn't it?

Mr. KELLOGG. I don't remember.

Mr. ROSENTHAL. That is my recollection of it. Isaac E. Blake seems to have been the minority stockholder. I think Mr. Tilford has testified to it.

Q. What was the business that the Continental Oil Company acquired at that time?—A. The company purchased at the time of its organization marketing stations of Standard Oil Company of Ohio in Colorado, Montana, Utah, Wyoming, and New Mexico.

Q. There were other properties belonging to other parties

13029 which it acquired at that time, were there not?—A. I do not know.

Q. Where did the minority interest come in?—A. I assume that they came in as stockholders at the time of the organization.

Q. Why?—A. I suppose because they had been connected in some way with the business in some of these sections.

Q. Yes. Now, what was that business; that is, what I am trying to get at.—A. I do not know; I am not familiar with it.

Q. The Continental Oil Company does business now in those States named there, does it not, as a marketing company?—A. Owns marketing stations in the Rocky Mountain States.

Q. Who owned marketing stations there prior to that time; I mean exclusive of the Standard companies?—A. I do not know; I am not familiar with it.

Q. Whose interests went into this company?—A. I am not familiar with it; I did not have to do with it.

Q. Then, you don't know whether this is accurate or not?—A. This is accurate as far as it goes, certainly.

Q. That does not purport to state all the properties, then, that the Continental acquired?—A. I assume that it does.

Q. Isn't it a fact that some one had a marketing business in those States, or some of them, and that it was acquired by the Standard Oil, and the Continental Oil Company took it over?—A. As I say, I am not familiar with it. It was a section that I did not have to do with personally and I am not familiar with it.

Q. Then, you can not say that that is all the property it acquired?—A. I assume only from this statement.

13030 Mr. KELLOGG. Who is the minority stockholder?

Mr. ROSENTHAL. Isaac E. Blake appears to have been the minority stockholder.

Mr. KELLOGG. Who was Isaac E. Blake?

Mr. ROSENTHAL. He appears to have had some oil properties there in payment of which he received his minority interest in the Continental Oil Company.

Q. You don't know what that oil property was, Mr. Archibold?—A. No; I do not.

Q. Will you turn over the page to page 3? The Standard Oil Company of California. The statement here is "organized by the Standard Oil Company of New Jersey in 1906 and purchased at the time of its organization from the Pacific Coast Oil Company refineries, producing properties, pipe lines, floating equipment, etc., of that company, and from the Standard Oil Company of Iowa its marketing stations in California, Oregon, Washington, Arizona, Nevada, and Alaska. Do you notice that?—A. I do.

Q. Isn't it a fact that the Pacific Coast Oil Company was not organized—or the Standard Oil Company of California was not organized by the Standard Oil Company, but that the Standard Oil Company bought the Pacific Coast Oil Company from other parties, changed its name and increased its stock?

Mr. ROSENTHAL. You have got a very complicated question there. Suppose you ask him first whether the Standard Oil Company of California was organized by Standard Oil interests.

Q. Was the Standard Oil Company of California organized? I will follow it up in that way.—A. It was.

Q. Isn't it a fact that it was organized by other parties?—

13031 A. It was not.

Q. Do you know of your own knowledge?—A. I have general knowledge; I did not have to do with it personally.

Mr. ROSENTHAL. Our data here, Mr. Kellogg, which we have told you we will verify and upon which that statement was made to which

Mr. Archbold has just testified—our present data is, subject to verification, as we have told you, that the Standard Oil Company of California was organized July 23, 1906. I told you yesterday, or the day before, that I was of the impression that it had succeeded the Pacific Company, and would investigate it further with a view of correcting that statement if it was wrong; and as yet we have had no opportunity to do it.

WITNESS. Just a moment, if you please. That certificate is not right, evidently, as to that date, is it?

Mr. TAYLOR. It is 1906, instead of 1896.

WITNESS. Oh, well, this is 1906.

Mr. KELLOGG. The fact is that the Pacific Coast Oil Company was changed to the Standard Oil Company of California, and I have the original certificate.

Mr. ROSENTHAL. We have told you as soon as we investigated it we would——

Q. What was the Pacific Coast Oil Company, Mr. Archbold?—A. The company purchased at the time of its organization from the Pacific Coast Oil Company refineries, producing properties, pipe lines, floating equipment, etc., of that company.

Q. The Pacific Coast Oil Company was in business in
13032 California, wasn't it?—A. It was.

Q. And it had a refinery. Where was it situated?—A. I do not know.

Q. Richmond?—A. No, I do not think so.

Q. At Alameda?—A. I do not know where the little Pacific Coast refinery was.

Q. Well, it had producing properties and pipe lines also, didn't it?—A. It had small properties of that kind, yes.

Q. Well, it was manufacturing oil and selling it in California, wasn't it?—A. It was.

Q. And your company had no interest in it?

Mr. MILBURN. Mr. Kellogg, the Pacific acquisition was years and years ago.

Mr. KELLOGG. No; it was in 1901. That is not years and years ago according to my figuring.

Q. Prior to 1901 the Pacific Coast Oil Company was doing business in California, wasn't it?—A. I am not familiar with the history of the Pacific Coast Oil Company and could not state regarding it.

Q. Entirely separate from your companies, wasn't it?—A. It was up to the time of our acquisition of it.

Q. It was one of your competitors, wasn't it?—A. How far a competitor I could not say.

Q. You were doing business there through the Standard of Iowa, were you not?—A. We were.

Q. Selling, but not manufacturing?—A. But not manufacturing.

Q. You were not manufacturing any oil in California at the time you purchased the Pacific Coast Company, were you?—
13033 A. I do not think we were.

Q. The Pacific Coast Company was the biggest company doing business on the coast at that time, wasn't it?—A. Well, I was not thoroughly familiar with the business, but I should say not by any means.

Q. What others were larger?—A. Oh, well, it would only be a matter of recollection, except as to one or two. I should say the Union Oil Company was very much larger.

Q. In 1901?—A. Yes.

Q. Well, your company purchased the Pacific Coast Company, didn't you—purchased the stock?

Mr. ROSENTHAL. Oh, he has said that three or four times and you have said it eight or ten.

Mr. KELLOGG. Well, then, we will have it true, if that is the fact.

WITNESS. What is the question?

Q. Your company purchased the stock of the Pacific Coast Company?—A. I do not know whether we purchased the stock or the property.

Q. Didn't you purchase the stock and operate it in 1906?—A. The Pacific Oil Company refineries—I do not know whether we purchased the stock or the physical properties.

Q. Then, you don't know anything about this statement that you have been testifying to?

Mr. ROSENTHAL. That is not what he says. He says he doesn't pretend to know anything about the details of the Pacific Coast Oil Company or the California Company, and I have already advised you that that will be fully and specifically covered by Mr. Tilford.

13034 Mr. KELLOGG. This has been put in and I want to show whether it is accurate or not.

Mr. ROSENTHAL. It was put in under a very comprehensive agreement that we had with you and which you ought not to go back on at this time.

Mr. KELLOGG. I am not going back on it at all. I want to correct this statement.

Mr. ROSENTHAL. Do not let us waste time on it.

Q. It appears by another statement that the Pacific Coast Oil Company had a capital of a million dollars at the time the Standard Oil bought the stock. Look at Exhibit 273 [handing witness paper], pretty fair-sized company, wasn't it?—A. In California they have big company; not for the Pacific coast.

Q. Well, not big the way you are, but for California it was a pretty fair-sized company, wasn't it?—A. In California they have bigger things than we have here.

Q. In the oil business?—A. Well, they are pretty big in the oil business nowadays.

Q. The Pennsylvania Lubricating Company. On that same page. You say that was organized by the Standard Oil Company of New Jersey with minority stockholders in 1895?—A. Where is that? What company is that?

Q. Page 3.

Mr. ROSENTHAL. Just a minute. Perhaps we can supply the data that he wants.

Q. Who were the owners of that property at the time that
13035 company was organized?—A. Organized by the Standard Oil Company of New Jersey, with minority stockholders, in 1895.

Mr. ROSENTHAL. Grant & McCargo is the minority stockholder in that.

Q. What was the business acquired?—A. The company purchased at the time of its organization works and processes in Pittsburg for making mill greases, etc.

Q. Was it a company engaged in the manufacture of those products, Mr. Archbold?—A. It was.

Q. Was McCargo the owner?—A. Whether he was the sole owner or not I don't know.

Q. Was this company organized to take that property at the time of the purchase?—A. It was.

Q. And the minority interest went to the previous owners?—A. I assume that it did; I don't know.

Q. Were they doing business there at the time of the purchase?—A. They were.

Q. In competition with the Standard Oil Company?—A. I do not know how much in competition with the Standard Oil.

Q. Your companies made mill greases, didn't they?—A. Well, I am not sure about that at that time, Mr. Kellogg; I don't know.

13036 Q. Refer to page 4 of that statement. The Standard Oil Company of Iowa seems to have been organized by the trustees with certain minority stockholders. Who were the minority stockholders?

Mr. ROSENTHAL. I will give them to you in a minute.

A. I can not from memory state who the minority stockholders were.

Q. What business belonging to outside parties was then acquired by the Standard Oil of Iowa?—A. The company purchased at the time of its organization from Standard Oil Company of Ohio——

Q. I am not talking about the Standard of Ohio. Outside properties.—A. I can't from memory state.

Q. There were purchases of outside interests, were there not?

Mr. ROSENTHAL. Some from a man by the name of Tevis.

A. I do not know. There were minority stockholders at the time of its organization, but I am not familiar enough with it to testify.

Q. You don't know whether this statement here is correct or not?—A. This statement is undoubtedly correct as it stands.

Q. Correct, but not complete?—A. Not complete in not mentioning the names of the minority stockholders.

Mr. ROSENTHAL. I have given Mr. Kellogg the name of Mr. Lloyd Tevis, who appears to have been the only minority stockholder that we can ascertain.

Q. What property of Mr. Lloyd Tevis or anyone else outside of the Standard Oil companies did the Standard of Iowa pur-
13037 chase at the time of its organization?—A. I am not familiar enough with it to be able to testify.

Q. Turn to page 5—Swan & Finch Company. This corporation seems to have been organized by the trustees in 1891. What business were Swan & Finch engaged in at the time of this purchase?—A. The business of Swan & Finch was compounding and mixing lubricating oils, greases, and so forth, and marketing the same.

Q. They were engaged in business in New York?—A. In New York.

Q. And in competition with the Standard Oil companies?—A. I do not know how much in competition with the Standard Oil companies.

Mr. ROSENTHAL. The statement shows, does it not, that one-half for a long time had been owned by the Thompson & Bedford interests?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. Which it had owned since eighteen seventy something?

WITNESS. Since 1880 the Thompson & Bedford Company had owned a one-half interest.

Q. Prior to 1880 had that company been in competition with the Standard Oil interests?—A. I do not know in regard to that whether they were in existence or not.

Q. Who managed the business of Swan & Finch after the organization of this company?—A. The old people of the concern. I don't know just who.

Q. Still continue to manage it?—A. I think they do.

13038 Q. And the stock of the corporation is owned by the Standard Oil Company of New Jersey, or the majority of it?—A. Yes.

Q. Referring to page 6, the Underhay Oil Company was organized in 1890 by the trustees. What was the business of Underhay & Company when that oil company was organized?—A. A marketing business in Boston.

Q. Was it a partnership prior to its organization?—A. I do not know. I am not familiar with it.

Q. You hadn't anything to do with the purchase?—A. I had nothing to do with the purchase.

Q. And you don't know whether they purchased the properties of Underhay & Company or not?

Mr. ROSENTHAL. That is true—they did purchase the business, the good will and the stock on hand, of Underhay & Company, of Boston, just at the time of the organization of this corporation. That may go of record.

Q. What was the business of Underhay & Company? Selling oil?—A. I judge so. I am not——

Q. Marketing oil?—A. I am not at all familiar with it.

Q. Marketing business, it says. What kind of marketing business? Marketing refined oils?—A. I suppose it was oils; whether exclusively one kind or another I don't know. I am not sure. I couldn't say. I am not familiar with it.

Q. Please look at Exhibit 272.

(A paper was handed to the witness by Mr. Rosenthal.)

Q. Exhibit 272 is a list of companies which the trustees acquired between 1882 and 1892, exclusive of those that are now owned by the Standard Oil Company of New Jersey. Is that what you understand it to be?

13039 Mr. ROSENTHAL. Just what it purports to be.

A. "Companies shown in petitioner's Exhibit 257, omitting companies named in trust agreement of 1882, and omitting companies named in petitioner's Exhibits 1 and 11, covered by defendants' Exhibit 271."

Mr. ROSENTHAL. I think that is what the net of it is, as stated by Mr. Kellogg.

Q. Now, I would like to ask you about a few of those companies. The Atlas Refining Company was purchased by the trustees of the Standard Oil trust in 1882. What was that company at the time of its purchase?—A. It was a company having a business at Buffalo, New York.

Q. A refining business?—A. A refining business.

Q. Refining and selling its products in this country?—A. I don't know whether in this country or abroad.

Q. Refining petroleum oil and selling its products?—A. And selling its products.

Q. In competition with the Standard Oil Company?—A. I do not know how much in competition with the Standard Oil Company.

Q. You had no agreement with them that they should not compete, had you?—A. I do not recall any such agreement.

Q. If they were selling their product in the market, they were selling it in competition with yours, weren't they?—A. They may have had some special market in which they were selling their goods.

Q. Well, did they?—A. I do not know.

Q. Then, you understand that they were generally one of the companies competing with your companies?

13040 Mr. ROSENTHAL. I submit that has been fully answered by his last two or three answers.

Mr. KELLOGG. He said he didn't know.

Mr. ROSENTHAL. Oh, no, he didn't.

Q. Do you understand it was a company selling and marketing its goods?—A. They were selling and marketing their goods undoubtedly.

Q. In competition with your companies?—A. How much in competition I do not know.

Q. You don't know the degree of competition?—A. No; I don't know the degree of competition.

Q. There was some competition, wasn't there?—A. There was some competition, but to what extent I do not know.

Q. You bought its capital stock and turned it over to the trustees?—A. "Entire capital stock purchased by S. O. trustees in 1882."

Q. Did you pay for that in trust certificates?—A. I do not remember.

Q. The Central Refining Company (Limited)—what was the business of that company at the time you purchased the stock of the trustees, rather?—A. A small refinery on Newton Creek, between the Sone & Fleming works and the Brooklyn works of the Standard Oil Company of New York.

Q. Refining crude petroleum?—A. Refining crude petroleum.

Q. And selling its products?—A. Selling its products.

Q. Prior to this purchase you had no interest in it?—A. Not prior to the purchase in 1883.

Q. Do you know the parties who owned it?—A. I am not entirely sure, but I think they were Wilson & Anderson.

13041 Q. Was that company, at the time of purchase, doing business in competition with the other Standard companies?—A. I do not know to what extent in the way of competition, or whether they had special markets for their products.

Mr. ROSENTHAL. The Central Refining Company has since become a part of the Sone & Fleming Refining Company, hasn't it? The Central Refining Company amalgamated with the Sone & Fleming?

WITNESS. It has.

Mr. KELLOGG. Yes; that is so.

Q. Turn to page 2, and look at the Vesta Oil Works—the last one on that page. What was the business of the Vesta Oil Works at the time of this purchase of its stock?—A. It was a refinery.

Q. Where was it doing business?—A. Its refinery was located in Brooklyn. Its business was here.

Q. I notice the Acme had bought a three-fourths interest in the stock. Do you know when?—A. I do not remember when.

Mr. ROSENTHAL. What was that last question? Perhaps I can give you the information?

WITNESS. The Acme Oil Company bought a three-fourths interest. A three-quarters interest was owned by the Acme Oil Company at the time of the trust agreement in 1882.

Mr. ROSENTHAL. Let us have Mr. Kellogg's question.

Mr. KELLOGG. I asked him when the Acme Oil acquired that stock interest.

WITNESS. I can not state from memory.

Mr. ROSENTHAL. It was sometime prior to 1880, but I can't

13042 give it to you any more accurately than that.

Q. Before it was acquired was it doing business in competition with the Standard Oil companies?—A. I do not know how much in competition with the Standard Oil companies.

Q. Was it to any extent?—A. Possibly so.

Q. Look at page 3. What was the business of the Union Refining Company at the time the trustees purchased the stock?—A. It was a small refinery at Oil City.

Q. I notice that although the capital stock is $18,000, it appears by the ledgers of the trustees that there was paid for it $105,279.13 in cash and trust certificates. Do you recollect anything about it?—A. I do not. Its capital may have been nominal, or they may have had a large amount of merchandise on hand. I don't know.

Q. Was it a fair-sized business?—A. I should say it was a small refinery. I don't know how much business they had.

Q. For those days was $105,000 a fair investment for a business of that kind?—A. Well, it was a moderate investment.

Q. Was it doing business in competition with your companies when you purchased it?—A. I do not know to what extent or where it marketed its products.

Q. You had no arrangement with it whereby it did not compete with your companies?—A. Not that I know of.

Q. Did you buy it?—A. I did not.

Q. You didn't make the arrangement?—A. Not that I recall.

Q. You were pretty familiar with the refineries in that country during those years?—A. I was, but I don't recall this.

Q. What did you do with it—dismantle it?—A. In 1887
13043 the equipment otherwise utilized and subsequently land sold.

Q. Did you operate it at all?—A. I can not answer.

Q. I wish you would turn to the next page and refer to P. C. Hanford Oil Company. What was the business of P. C. Hanford Oil Company at the time you purchased it?—A. They were merchants in petroleum and its products.

Q. Where?—A. Headquarters at Chicago.

Q. They were merchandisers of petroleum, were they?—A. Petroleum and its products; yes.

Q. A large concern?—A. A very considerable concern.

Q. Where did they have their market principally? In what States?—A. The company was organized to carry on a marketing business in northern Illinois, Wisconsin, etc.

Q. Had P. C. Hanford & Company been doing business in those States prior to the time of the organization of this company?—A. I presume they had.

Mr. ROSENTHAL. P. C. Hanford is in Chicago.

Q. Had he been seeling oil through the States named—Illinois and Wisconsin?—A. I am not familiar with it, but I presume he had.

Q. Mr. Hanford was a large oil merchant selling refined oil in those Northwestern States, wasn't he?—A. I do not know how large. He was an oil merchant.

Q. You bought him out and organized this company to take over the property, did you?—A. We organized a company in which he remained, as I understand it, as a minority owner.

Mr. ROSENTHAL. That is right. His business theretofore had been largely local and had been confined to Chicago.

13044 WITNESS. Well, I was not familiar with it.

Q. Do you know how much you paid for the majority interest in the property?—A. I do not.

Q. There seems to be an account on the ledger of the trustees of $255,000.

Mr. ROSENTHAL. That is right. The Standard Oil trustees took 2,550 shares out of 5,000. Mr. Hanford and others took 2,450. The Standard Oil trustees paid par for their stock.

Q. That was a business which had been built up by Mr. Hanford, had it?—A. To the extent that it existed at that time.

Q. There must have been considerable of a business for you to buy it and pay $255,000?

Mr. ROSENTHAL. Oh, no; that is not what was done, Mr. Kellogg.

WITNESS. I don't think that I understand it.

Mr. KELLOGG. What is that?

Mr. ROSENTHAL. They organized a corporation.

WITNESS. They organized a corporation.

Mr. ROSENTHAL. With a capital stock of half a million.

Q. What did you pay for Mr. Hanford's business?—A. I do not remember. I did not have to do with it personally.

Q. Did you give him this stock for the business?—A. Oh, I imagine he paid the same as we did—par—for his stock.

Q. Paid for it in the property that he had?—A. Just how he paid for it I do not remember.

Q. Who made the arrangement?—A. I do not remember.

Q. Will you please refer to page 1 of the producing companies, under the head "United Oil Company, $4,000,000? Isn't that
13045 a mistake? Isn't that the Union Oil Company?

Mr. ROSENTHAL. That should be corrected.

WITNESS. Yes, I think that is the Union.

Q. Is that the company that you testified yesterday the trustees bought of H. L. Taylor and others, in West Virginia?—A. Pennsylvania, principally.

Q. I mean Pennsylvania.—A. Yes.

Q. And for which you paid a million and three-quarters in certificates?—A. I do not remember what the consideration was.

Q. A very large concern, wasn't it?—A. It was a large concern, yes.

Q. Do you remember the purchase of this Union Oil Company?—A. I remember generally about it.

Q. It was a very large producing company, wasn't it?—A. It was.

Q. It was about that time building or projecting a pipe line, wasn't it?—A. I don't remember that it was.

Q. Was it connected with the Producers & Refiners' Association? A. They were shareholders in the United States. But I don't know. I have forgotten just what their ownership was.

Q. At that time the United States Pipe Line didn't exist, did it? A. I have forgotten. [Witness refers to a paper.]

Q. The Producers and Refiners' Association.—A. Perhaps that was it.

Q. That was the gathering lines which afterwards became connected with the United States. Is that correct?—A. That is correct.

Q. This company was a large producing company connected with that Producers and Refiners' Association, wasn't it?—A. I do not know how thoroughly their production was connected with the lines of those companies. I imagine that they were not very largely connected.

13046 Q. It wasn't connected with your lines, was it?—A. Oh, I think so.

Q. You think it was?—A. I think so.

Q. You know Mr. Taylor, don't you, pretty well?—A. I did know him.

Q. Do you know that he was chairman of a committee to construct the Producers & Refiners' Association pipe lines?—A. I do not remember that, if I ever knew it.

Q. You do not remember it?—A. No.

Q. And did you buy out this company to block the building of that pipe line?—A. I don't think so.

Q. I notice on defendants' Exhibit 273 Denlinger Bros. Oil Company purchased by the Standard Oil Company of New Jersey in 1902; do you remember that?—A. Is it on this list?

Q. No. I show you defendants' Exhibit 273.—A. If I recollect it at all, it is very generally. It is a small concern, apparently, in Pittsburg.

Q. What was the business of that company at the time of the purchase?—A. A marketing business in Pittsburg.

Q. Marketing refined oils, do you mean?—A. I presume so. I do not know. I did not have to do with it, and I am not familiar with it.

Q. Who did buy it?—A. That I do not know.

Q. These lists that you have presented here do not purport to contain all of the companies or copartnerships engaged in the oil business from 1882 to the present time which the Standard Oil trustees or the Standard Oil companies have purchased, do they?—A. As far as I know they are complete.

13047 Q. They don't purport to be all the companies, do they?

Mr. ROSENTHAL. They do not, I think.

A. Perhaps they do not. I supposed they were complete.

Q. Is it not a fact that the Standard Oil trustees and the Standard Oil companies have during those years purchased a large number of corporations or copartnerships or individual properties engaged in the oil business in this country, not listed in these exhibits?—A. I would not undertake to answer generally on that question. If you will specify, I will do my best to answer.

Q. I specified a large number, some of which you remembered and some of which you did not. I want to know if they have not purchased a large number of other concerns.

Mr. ROSENTHAL. You specified about five or six—if that is a large number.

Mr. KELLOGG. I have got a list here of fifty or sixty, bought by subcompanies. I thought I would not go through them by name.

WITNESS. I could not answer, except——

Q. Will you furnish a statement of all those purchases?—A. If you will put your request in form, I will submit it to counsel.

Mr. KELLOGG. I will put it in form here, and I will put it into the record and give a copy to your counsel. (To the reporter.) Will you please enter that in the record [handing a paper to the reporter]?

Mr. ROSENTHAL. Let us see what it is, first. Just a minute before you enter that in the record. Do you wish to ask the
13048 witness a question?

Mr. KELLOGG. I wish to ask if he will produce—I can read it, if you desire me to. I gave it to you for convenience.

Mr. ROSENTHAL. You are asking the witness now to comply with that request—which the stenographer may take as a part of your question?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. And copy it into the record?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. That is all right.

The paper last referred to is as follows: "Please furnish a statement showing the name, location, and business of all corporations engaged in any branch of the petroleum business in which stock has been purchased, and of all corporations, firms, and individuals engaged in the oil business whose business or property has been purchased by any of the subsidiary companies of the Standard Oil Trust from 1882 to 1899, and by any of the subsidiary companies of the Standard Oil Company of New Jersey from 1899 down to the present time. Please let this statement show the date of acquisition in each case and the company by which acquired. The list of concerns acquired need not include any of the concerns listed in defendants' Exhibits 271, 272, 273, and 274. It is not desired that companies or concerns which have been established by Standard Oil interests should be listed, but only concerns formerly engaged in some branch of the oil business whose stocks, property, or business have been acquired."

Mr. ROSENTHAL. We will be very glad to comply with this request, if we have the time to do it while presenting our
13049 defence; or, if not, if you will renew the request when you are on your rebuttal, we will be very glad to comply with it at that time.

Mr. KELLOGG. All right. I will be very glad to have it done.

Q. Do you know Mr. T. N. Barnsdall?—A. I do.

Q. Where does he reside?—A. He resides at Pittsburg.

Q. What is his business?—A. He is in oil production and natural gas.

Q. Is he in the oil production in Oklahoma?—A. I think he is, through a company.

Q. A very large producer?—A. I do not know what his production is, I am sure.

Q. What other companies is he producing oil in? What are the companies of Mr. Barnsdall that are producing crude petroleum in the Indian Territory and Kansas?—A. My recollection is that it is the Barnsdall Oil Company, or some——

Q. And the Indian Territory Illuminating Oil Company?—A. I do not know of his having any control of the Indian Territory Illuminating Oil Company.

Q. Barnsdall & Glenn—do you know of that concern?—A. I have heard the name Barnsdall & Glenn, but whether they continue as a copartnership I do not know.

Q. The Barnsdall Oil Company is a large company, is it?—A. I believe it is.

Q. Is it owned or controlled by the Standard Oil interests?—A. It is not.

13050 Q. Did you furnish the money for the business?—A. We have loaned money to Mr. Barnsdall, but we have never had any dealings directly with the Barnsdall Oil Company in the way of loans.

Q. I notice from 1905, down to and including 1908, loans to T. N. Barnsdall of $7,500,000. Do you know about that account?—A. I do generally.

Q. What was it for?—A. Loan.

Q. Just a loan of money?—A. A loan of money.

Q. What security did you have?

Mr. ROSENTHAL. Isn't that evidenced by contract, Mr. Archbold?

WITNESS. The whole matter is evidenced by contract.

Q. Where is the contract?

Mr. ROSENTHAL. You know where it is. Mr. William G. Rockefeller told you that the contracts were with the Pittsburg Trust Company, and you are very welcome to have them at any time.

Mr. KELLOGG. Mr. William Rockefeller said he didn't know what the loan was for; he simply sent the securities to the Pittsburg Trust Company on the order of Mr. Archbold.

Q. Have you the contract?—A. It is barely possible that there is a copy of the contract here; but they are lodged with the Pittsburg Trust Company of Pittsburg.

Q. Will you produce a copy of the contract?—A. I will endeavor to do so.

Q. Or the original?

Mr. ROSENTHAL. Produce the copy, if you have it. The originals are in escrow with the Pittsburg Trust Company.

Q. Did that contract list the securities you had for this
13051 loan?—A. I suppose it does. I have not recently seen the contract.

Q. Did you make the loan yourself?—A. I began the transaction with Mr. Barnsdall.

Q. What was the arrangement by which you were to loan him this amount of money?—A. We were to loan him money on security. He was going on with large operations——

Q. What securities?—A. Securities of various companies, a list of which I could not repeat.

Q. The Indian Territory Company is in the list?—A. I think it is.

Q. The Barnsdall Oil Company, any stock?—A. I think that is the company.

Q. That is the company?—A. I didn't mean to say the Indian Territory Illuminating Oil Company.

Q. No, but the Barnsdall Oil Company?—A. The Barnsdall Oil Company I think is.

Q. How much is the capital——A. I do not know.

Q. How large a company is the Barnsdall Oil Company?—A. I do not remember its capitalization. It is a large company.

Q. When did Mr. Barnsdall commence to acquire producing properties in Oklahoma?—A. I don't remember the date. Indeed I don't think I know.

Q. About 1905?—A. I don't remember. I don't know, indeed.

Q. When did you commence these loans?—A. The record of the loan would show. I haven't it in mind.

13052 Q. The record we have shows November 2, 1905, the first loan, of $100,000. Is that your recollection?—A. If that record is one which we have furnished, I am willing to accept it.

Q. It is. A. Yes.

Q. What was your understanding with Mr. Barnsdall about his furnishing the securities of the Oklahoma Company when he started in with these loans?

Mr. ROSENTHAL. I object to that. The witness has already stated that it is all evidenced by a written contract—which is accessible to you if you want to get it.

Mr. KELLOGG. I want it. Produce it.

Mr. ROSENTHAL. And I object to it, furthermore, upon the ground that it is not cross-examination of anything that was gone into on the direct. Do you call upon me to produce it? You have already been advised by a witness, under oath, that the contract is in escrow with the Pittsburg Trust Company, and you have known that fact for over a year, and all you had to do was to go out there and get it.

Mr. KELLOGG. Yes, and when we got to Pittsburg it might be back in New York, the way some other things have been.

Q. Now, did you make this arrangement yourself?—A. I had the original talks with Mr. Barnsdall, but I did not complete the arrangement with him.

Q. You did not?—A. No.

Q. Who did?—A. It was completed by different people; principally by counsel, at Pittsburg.

Q. Counsel of your company?—A. Yes.

13053 Q. You made the arrangement to loan him this money?—A. I began the loans of money.

Q. What for?—A. To enable him to go on with his general operations in oil and gas.

Q. In Oklahoma?—A. All over. He is a very extensive operator.

Q. You obtain all the crude oil that he produces?—A. It was understood that the crude oil was to come into our lines. That was one consideration in the matter.

Q. Is the principal security for this loan the Barnsdall Oil Company?—A. No, I should say the principal security was that of other companies.

Q. Was this loan made about the time he started in Oklahoma?—A. I don't know when he started in Oklahoma.

Q. You hold all the stock of the Barnsdall Oil Company?—A. I don't know how much is held.

Q. Why are the securities sent to Pittsburg?—A. As a convenient place for trusteeship.

Q. Why was it necessary to trustee them?—A. The terms of the agreement with Barnsdall made it advisable to have somebody near his home office with whom he could confer.

Mr. ROSENTHAL. Barnsdall lives in Pittsburg, doesn't he?

WITNESS. I have already testified that he lives in Pittsburg.

Q. According to Mr. Rockefeller's testimony, the securities were here in New York at one time.—A. It must have been a very short time. It was at once agreed that the Pittsburg Trust Company should be the medium.

13054 Q. Why were they sent from here to Pittsburg?—A. Because of their designation as the custodians and trustees in the matter.

Q. I notice that the interest on this loan was cancelled. What was the arrangement by which the interest was cancelled?—A. That was a feature of the later negotiation with Barnsdall, that I did not have to do with.

Q. Isn't it a fact that the arrangement was that all of the oil produced by Barnsdall's Oklahoma company was to come to your company, and all the proceeds of that oil?

Mr. ROSENTHAL. I object to that, upon the ground that the witness has already stated that the full and complete arrangement is evidenced by written contracts; and those contracts are entirely accessible to the Government, and constitute the best evidence of what the arrangement was.

Mr. KELLOGG. Well, the Government is not going to Pittsburg to try to get those contracts. I tell you that now.

Mr. ROSENTHAL. The Government can do just as it sees fit about that. But what is the use of bluffing around here about something that you can easily get?

Q. Has all of the oil produced by Barnsdall's Oklahoma company been run to the credit of the Pittsburg Trust Company, for your use?—A. I am not familiar enough with the final paper to say just what method was agreed upon with reference to the running of the oil.

Q. Will you produce the contract in the morning?

Mr. ROSENTHAL. Which contract?

Mr. KELLOGG. With Mr. Barnsdall.

13055 Mr. ROSENTHAL. You have already been advised that it is in the custody of the escrow holder, at Pittsburg?

Mr. KELLOGG. Well, produce a copy of it.

WITNESS. If I have it I will. I don't know of any reason why it should not be. I don't know whether I have it or not; I am afraid I have not.

(An adjournment was here taken until the morning of Thursday, December 3, 1908, at 10.30 o'clock.)

13056 ROOM 508, CUSTOM-HOUSE, NEW YORK CITY,
Thursday, December 3, 1908—10.30 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr. Charles B. Morrison. On behalf of the defendants, Mr. John G. Milburn, Mr. Moritz Rosenthal, Mr. John S. Miller, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. W. Cleveland Runyon.

JOHN D. ARCHBOLD, recalled, and his cross-examination resumed, as follows:

By Mr. KELLOGG:

Mr. ROSENTHAL. Mr. Archbold, have you the Pacific Coast Oil Company data now?

WITNESS. I have.

Mr. ROSENTHAL. I would like to have you make an accurate statement now concerning the information which you have obtained concerning that, so that the record may be straight on that.

Mr. KELLOGG. Yes; I would like to have that. You may read it right in.

Mr. ROSENTHAL. Just read that right into the record.

WITNESS (reading). The Pacific Coast Oil Company was acquired in 1900 for $761,000. Its capital was $1,000,000. The entire capital was secured. In 1902 its capital was increased to $3,000,000; in 1903 to $6,000,000, and in 1906 to $17,000,000, with authority to
13057 make it $25,000,000. In July, 1906, the name was changed by the method prescribed by California law to Standard Oil Company.

Mr. ROSENTHAL. Now, the next need not go in; Mr. H. M. Tilford thinks he has already testified to it.

Mr. KELLOGG. All right.

Q. The present Standard Oil Company of California is the Pacific Coast Oil Company which you purchased in 1900, as you have testified, with the name changed and the stock increased?—A. And the stock increased. It owns the property——

Q. That company, as I understand, is your manufacturing company and your selling company in California?—A. Yes, sir.

Q. And also, I believe, as has been described by other witnesses, markets Standard products in Washington, Oregon, and Arizona?—A. On the Pacific coast; yes, sir.

Q. Now, did you have time to look up the Barnsdall contract—copy?—A. I made inquiry regarding the matter of our counsel here, who participated in the later negotiations of the Barnsdall matter, and I find from him that there is no copy here of the completed contracts.

Mr. ROSENTHAL. Let me say, Mr. Kellogg, that if you really want those Barnsdall contracts here I will be very glad, on behalf of the Standard Oil Company, to telegraph the escrow holder, the Pittsburg Trust Company, in Pittsburg, to mail them at once to the referee, for your inspection.

Mr. KELLOGG. I wish you would do so. Thank you.

Mr. ROSENTHAL. I would be very glad, indeed, to do that.

Q. One more question about that. Is it a fact that all of the
13058 oil produced in Oklahoma and Kansas by the Barnsdall Oil Company, the stock of which you hold as security, is run for the account of the Pittsburg Trust Company?—A. I couldn't answer without reference to the contract.

Q. Do you know whether, as a matter of fact, irrespective of the contract, all of the production and the proceeds of all of the production are paid to the Standard Oil Company or paid into the office of the Pittsburg Trust Company for the Standard Oil Company?—A. I could not answer, as I say, without reference to the contract. I do not know what the exact terms of the contract were in respect to that question.

Q. Do you know the Texas Oil Company?—A. The what?

Q. The Texas company.—A. I know of it; yes.

Q. It is a company having a refinery and pipe line in Texas and pipe line to Oklahoma?—A. I believe it has.

Q. During the last few years have the Standard companies marketed a large part of their products (I mean by the Standard companies to include the Waters-Pierce or any other of the Standard subsidiary companies)?—A. I should not think so. It is possible that they have sold to foreign companies some of their products, but I do not know as to the local business.

Q. Has not the Texas company sold a large amount of its products to the local companies in this country of the Standard Oil Company for marketing?—A. I should not think so; not of their refined products.

Q. Are you sure they have not?—A. Not to my knowledge.

Q. Have they as to the foreign products?—A. I rather think they have sold some considerable quantity of their refined product
13059 to foreign companies. That is my general knowledge of the matter.

Q. Not particularly referring to the present time, but during the last few years has not the Texas company sold a large

amount to some of the Standard companies?—A. I think more recently than in the earlier part of their history.

Q. Yes; selling more now. What proportion of their output are they selling to the Standard companies?—A. I do not know.

Q. You do not know?—A. No.

Q. The men in charge of the marketing would know more about that?—A. Yes.

Q. Is any of the stock of the Texas company owned directly or indirectly by any of the Standard companies?—A. Not to my knowledge.

Q. Is any of the stock held by any officer or official of any of the Standard companies for the Standard companies?—A. Not to my knowledge.

Q. Do you know whether any of the Texas stock is owned by any of the Standard companies?

Mr. ROSENTHAL. I would like to object to this whole line of inquiry, upon the ground that it is not cross-examination of anything gone into on the direct.

Mr. KELLOGG. The same objection may pertain to all the questions, and the same understanding as heretofore.

Mr. ROSENTHAL. Yes, sir.

Q. Do you know whether any of the Texas stock is held directly or indirectly by any of the Standard officials?—A. Not to my knowledge.

13060 Q. Or has been during the last few years?—A. Never to my knowledge.

Q. You testified that the cost, or value, of the refineries of the Standard Oil companies which went into the trust in 1882 was $17,000,000—about $17,000,000; there may be some odd hundred thousands.

Mr. ROSENTHAL. About $17,000,000.

Mr. KELLOGG. Yes; about $17,000,000.

Q. Was that figure the net figure less the depreciation, or was it the gross cost at that time?—A. Well, I would understand it to have been the value of the properties at that time.

Q. Do you know there is carried on the books of the trustees and on the books of the Standard Oil the original cost and the net value as they appear on the books—that is, the net value made up after writing off the depreciation each year?—A. I suppose there was such book-keeping. I do not recall it.

Mr. ROSENTHAL. Does it not appear that there was an inventory made and that these values are inventory values?

Mr. KELLOGG. No; the $17,000,000——

Mr. ROSENTHAL. I thought Mr. Archbold testified to that.

Mr. KELLOGG. No; Mr. Archbold simply testified, as I recollect it, that the value or the cost of the refineries in 1882, which went into the trust (just the refineries), was $17,000,000; but whether that was the net value as it appeared on the books or the gross value——

WITNESS. I should think that was the inventory value.

Mr. ROSENTHAL. That is, the actual value.

13061 WITNESS. The actual value.

Q. Less the depreciation that had been written off?

Mr. ROSENTHAL. Yes, sir.

A. Yes; whatever it was.

Q. I think probably that is right. In your Exhibit 269 you gave the cost of the Standard Oil refineries in 1906, less depreciation, did you not [handing paper to witness]?—A. I submitted this statement; yes.

Q. Well, it purports, Mr. Archbold, to be less depreciation, does it not?—A. Cost, less depreciation.

Mr. ROSENTHAL. About 56 or 57 millions, isn't it?

WITNESS. Nearly $58,000,000—$57,689,560.10.

Mr. ROSENTHAL. That is, less depreciation?

WITNESS. Yes, cost, less depreciation.

Q. Now, is that not a mistake, Mr. Archbold, of the men who made up that statement, and is it not a fact that that is the gross cost in 1906, taken from the balance sheets, without the depreciation being charged off? I think if you will look at the balance sheets of each of these companies you will see that whoever made that up made a mistake. I show you Exhibit 265B, which is the balance sheet, for instance, of the Standard Oil of Indiana, and if it is an error I would like to have it——

Mr. ROSENTHAL. Oh, of course, if it is an error it will be corrected.

WITNESS. If it is an error; of course I am not a bookkeeper and do not know about it except from the records.

Mr. ROSENTHAL. Let Mr. Folger look at those sheets and

13062 the statement with Mr. Durand.

Mr. KELLOGG. Look at it with Mr. Durand right now.

Q. Mr. Archbold, I just want to make one question so that you can look at them all on this basis. It appears by Exhibit 265B, which is the balance sheet of the Standard Oil of Indiana, that the gross value of the refineries of the Standard of Indiana standing on their books of December 31, 1906, is as follows: Whiting refinery, $7,828,708.39. That appears correctly there, does it?—A. $7,828,708.39.

Q. Sugar Creek, including incomplete construction, $1,142,705.48. Is that correct?—A. That is right.

Q. Now, in that balance sheet of December 31, 1906, there seems to have been written off for depreciation $5,098,539.12, which of course includes the depreciation of refineries and marketing stations. Now, will you examine that statement between now and 2 o'clock, or as soon as you can, and see if it is not a fact that the depreciation has not been deducted from each one of those items of refinery cost, and if so, have the exhibit corrected to show the proper figures? You testified on the subject of the location of these refineries that they were favorably located in order to accommodate the business of the country?—A. Our refineries you mean?

Q. Your refineries, in order to reach the export business.

Mr. ROSENTHAL. Well——

WITNESS. The general business, the business as a whole.

Q. Both the local business and the export business?—A. Yes.

13063 Q. As a matter of fact the location of the refineries of the Standard Oil at the seaboard was not done by the Standard Oil Company or the Standard Oil combination, was it?—A. Of course there were refineries here before the Standard Oil Trust, if that is what you call the combination.

Q. Well, I mean the Standard Oil interests, whatever you call them.—A. There were refineries here, and the Standard Oil, of course, located early here; but their expansion and extension and growth have been largely under the Standard Oil ownership.

Q. But the original refineries which were built at the seaboard, and which were then doing an export business, were not constructed by the Standard interests?—A. Oh, I think the very earliest refineries here were not constructed by the Standard Oil interests.

Q. Well, take the very ones that you are now operating. They were first constructed by other interests.—A. Of course, the Standard Oil began its career at Cleveland.

Q. Certainly. The Pratt works, which are now in operation, were established by other people.—A. They were established by the Pratt people.

Q. The Bayonne refinery was established by other people. Isn't that true?—A. Yes.

Mr. ROSENTHAL. The Pratts have been part of the Standard interests since 1874.

Q. I know, but they were in existence long before that. Isn't that true?—A. The Bayonne refinery was not in existence before that.

13064 Q. The Bayonne refinery was in existence and belonged to the Producers' Land & Petroleum Company before the Standard bought it.

Mr. ROSENTHAL. That is, there was a little refinery there.

Q. It was located at Bayonne. Isn't that true?—A. Before they bought it; yes.

Q. So, that the construction of refineries at the seaboard was not a Standard enterprise in the first instance?

Mr. ROSENTHAL. What do you mean by that? Do you mean that the original seaboard refineries were not built by the Standard Oil interests, or the Standard Oil Company?

Mr. KELLOGG. I mean that the original idea of locating refineries at the seaboard was not a Standard proposition, was it?

Mr. ROSENTHAL. Certainly.

WITNESS. I think they realized the great importance of the seaboard locations and became early identified with the interests, and have expanded them to their present great capacity.

Q. Quite so, but they originated and established a foreign business before the Standard had anything to do with them. Isn't that true?—A. Oh, there was a business here before the Standard came here, of course.

Q. Now, you testified to a considerable extent in connection with that about the export business which had been built up by the

Standard Oil Company. Is it not a fact that in 1871, before the organization of this Standard Oil interest that you have been
13065 testifying about, the percentage of export to production in this country was the greatest in the history of the country?—A. I have not the figures in mind with reference to those very early years as to the percentages.

Q. Well, let us get at it. There were large amounts of petroleum products exported to foreign countries in 1868, '69, and '70, were there not, and 1871?—A. Very considerable amounts.

Q. In proportion to the production of this country larger amounts than to-day? Is not that true?—A. As I say, I have not in memory the figures of proportion.

Q. What were the names of the companies doing a large export business in 1871?—A. The business of those years was done through commission houses, jobbers. I could not undertake to name them.

Q. I mean refineries. The Devoe Manufacturing Company, Warden, Frew & Company?—A. Warden, Frew & Company were of Philadelphia.

Q. Of Philadelphia?—A. Yes.

Q. Lockhart & Company?—A. They were at Pittsburg.

Q. But they were exporting?—A. I don't know whether they were or not, I am sure.

Q. And there were a large number of refineries scattered from Pennsylvania to the seaboard, that were exporting oil, were there not?—A. Not exporting, no.

Q. Were they not selling it for export?—A. Selling for export, yes.

Q. That is what I mean.

13066 Mr. ROSENTHAL. Selling to jobbers located here in New York, for export.

WITNESS. Selling to jobbers or commission houses here. The delivery was made here. I am not aware that there was any exporter among the refineries at that time.

Q. These figures are all published by the Geological Survey, are they not, from year to year?—A. The Geological Survey?

Q. Yes, the Geological Survey Department.—A. I don't know whether they were in those earlier years. I don't think so.

Q. I think they have been published. They are now, aren't they?—A. I think they are now, yes.

Q. And for many years past have been?—A. For a number of years past. I don't think in those days.

Q. Now, isn't it a fact that the Geological Survey have in recent years made up and published from old records the production of this country, and the exports from this country to foreign countries?—A. They may. I do not know about it specially.

Q. Is it not a fact that in 1871 70 per cent of the crude production of this country was exported as refined oil or in other products?—A. I could not state it as a fact, for I do not know.

Q. And that to-day only 18 per cent is?—A. Of course the whole character of the business has changed since then. We have now a very large production of low-grade oil that go to make up the production of the country as a whole, that do not of course enter into the export business at all.

Q. That is quite true; but you take the year 1879. There
13067 were not at that time large productions of crude oil which were not used for refining, were there?—A. No, I do not think so.

Q. And it appears by the figures, if I have them correctly, that only 50 per cent was exported in 1879, while 70 per cent was exported in 1871?—A. I do not know as to those figures. I do not know where they came from. I do not know anything about them.

Q. Take the year 1900. There was not much low-grade oil in 1900 which was not suitable for refining, was there?—A. Oh, I think there was a great deal of so-called low-grade oil produced in 1900.

Q. None in Texas?—A. I don't know whether the Texas production had begun at that time.

Q. Not in 1900.

Mr. ROSENTHAL. Mr. Kellogg, you do not need many statistics to show that the increasing population in the United States would constantly consume more oil.

Q. Certainly not; but isn't it a fact that before the Standard combination, or the purchase of these stocks which you have testified to in 1874, '5 and '6, there had been built up in this country a very large export business in the products of petroleum?—A. A considerable export business. What its percentage was I do not know.

Q. And was its percentage not larger in proportion to the total than it has ever been since?—A. As I say, I am not familiar with the figures; but the fact remains that the business was done in
13068 a desultory way. Its proportions in connection with that early history of the business I could not state; but that the Standard, immediately after getting into effective operation, made tremendous strides in the introduction of American oils to all parts of the world is beyond question. That they also improved the quality for the domestic consumption, so as to increase the use here, is also true.

Q. Let us see about that. If it is true that 70 per cent of the production of this country in 1871 was exported, that was not done by the Standard Oil Company, was it?—A. It was done by jobbers and commission houses to foreign houses. I do not know what those percentages were.

Mr. ROSENTHAL. Do you know what proportion of that was done by the Standard Oil Company of Cleveland in 1871?

A. No, I don't know what percentage they did. I was not of course related to their business then.

Q. The Standard Oil Company of Cleveland in 1871 was doing a very small percentage of the business of this country, wasn't it?—A. I don't know as to the percentage at that period.

Q. Its percentage of the total business of the country before it commenced this acquisition was very small, wasn't it?—A. As I say, I do not know what its percentage was.

Q. You must know in a general way that it was very small.—A. I don't know how small. I don't know what it was.

Q. 1871 was before they bought up any other refineries at Cleveland, or any of those——

Mr. ROSENTHAL. We will concede of record that it was
13069 not as large then as it is now.

Mr. KELLOGG. That is a generous concession!

Mr. ROSENTHAL. And possibly the fact that there were no European oils that had been discovered in those early days may have entered into the situation as a consideration.

Mr. KELLOGG. Well, now, I don't believe that Mr. Archbold needs any prompting on this subject.

Mr. ROSENTHAL. I am merely advising you of that fact.

Mr. KELLOGG. I do not need any advice.

Mr. ROSENTHAL. Mr. Archbold is entirely familiar with it.

Mr. KELLOGG. I can get along without any advice—probably not as well.

Mr. ROSENTHAL. I think now and then we might counsel you wisely and well.

Mr. KELLOGG. I have no doubt.

Q. Then it is a fact, is it not, that there had been built up in this country a very large export business before the Standard combination?—A. I should not call it very large as compared with what it has been latterly. It was considerable.

Q. Very large as compared with the total production then?—A. A considerable business.

Q. You would call 70 per cent of the production large, wouldn't you?—A. Well, large as a percentage; but if there were two barrels sold, and one on the other side, that would make a very large percentage, but not a very large business.

Q. Now, in the export business in 1871, considering the small production in this country, 152,195,617 gallons is a pretty large export business, isn't it?—A. Gallons?

Mr. ROSENTHAL. 152,000,000 gallons?

13070 Q. Yes, gallons.—A. Gallons?

Q. There were only 235,000,000 in 1874, and the business had a great deal more than doubled in this country.—A. It seems, of course, very small now.

Q. Certainly, but the production was small then, wasn't it, compared——A. Oh, the production—the whole business, of course, was within smaller limits.

Mr. KELLOGG. I now offer in evidence as a part of this cross-examination, pages 20, 21——

Mr. ROSENTHAL. Here is where you might take some legal advice, because you are violating the fundamental rules of evidence, you know, in offering anything during the cross-examination.

Mr. KELLOGG. Oh, no, I am not violating any rules at all. As a part of Mr. Archbold's cross-examination I offer in evidence pages 20, 21, and 22 of the report of the Geological Survey on the production and export of petroleum and its products. You do not object to the——

Mr. ROSENTHAL. I object to it first, because it is entirely improper during the cross-examination of a witness for the cross-examiner to offer an exhibit of his own in evidence, and, secondly, because it is entirely immaterial; thirdly, because it goes to a subject-matter that was not touched upon in the direct examination. I make no point as to the verity of the figures as stated by the report.

Mr. KELLOGG. May I simply have this copied into the record? I do not want to stop to read it in.

Mr. ROSENTHAL. Oh, yes.

The matter referred to is as follows:

13071 MINERAL RESOURCES.

Quantity of crude petroleum produced in, and the quantities and values of petroleum product exported from, the United States during each of the calendar years from 1871 to 1900.

Year ending December 31—	Production.		Exports.			
			Mineral, crude (including all natural oils, without regard to gravity).		Mineral, refined, or manufactured.	
	Barrels (of 42 gallons).	Gallons.			Naphtha, benzine, gasoline, etc.	
			Gallons.		*Gallons.*	
1871	5,205,234	218,619,828	11,278,589	$2,171,706	8,396,905	$895,910
1872	6,293,194	264,314,148	16,363,975	2,761,094	8,688,257	1,307,058
1873	9,893,786	415,539,012	19,643,740	2,665,171	10,250,497	1,266,962
1874	10,926,945	458,931,690	14,430,851	1,428,494	10,616,644	997,355
1875	12,162,514	510,825,588	16,536,800	1,738,589	14,048,726	1,392,192
1876	9,132,669	383,572,098	25,343,271	3,343,763	13,252,751	1,502,498
1877	13,350,363	560,715,246	28,773,233	3,267,309	19,565,909	1,938,672
1878	15,396,868	646,668,456	24,049,604	2,169,790	13,431,782	1,077,402
1879	19,914,146	836,394,132	28,601,650	2,069,458	19,524,582	1,367,996
1880	26,286,123	1,104,017,166	36,748,116	2,772,400	15,115,131	1,344,529
1881	27,661,238	1,161,771,996	40,430,108	3,089,297	20,655,116	1,981,197
1882	30,510,830	1,281,454,860	45,011,154	3,373,302	16,969,839	1,304,041
1883	23,449,633	984,884,586	59,018,537	4,439,097	17,365,314	1,195,035
1884	24,218,438	1,017,174,396	79,679,395	6,102,810	13,676,421	1,132,528
1885	21,858,785	918,068,970	81,435,609	6,040,685	14,739,469	1,160,999
1886	28,064,841	1,178,723,322	76,346,480	5,068,409	14,474,951	1,264,736
1887	28,283,483	1,187,906,286	80,630,286	5,141,833	12,382,213	1,049,043
1888	27,612,025	1,159,705,050	77,549,452	5,454,705	13,481,706	1,083,429
1889	35,163,513	1,476,867,546	85,189,658	6,134,002	13,984,407	1,208,116
1890	45,822,672	1,924,552,224	96,572,625	6,535,499	12,462,636	1,050,613
1891	54,291,980	2,280,263,160	96,722,807	5,365,579	11,424,993	868,137
1892	50,509,136	2,121,383,712	104,397,107	4,696,191	16,393,284	1,037,558
1893 [a]	48,412,666	2,033,331,972	111,703,508	4,567,391	17,304,005	1,074,710
1894	49,344,516	2,072,469,672	121,926,349	4,415,915	15,555,754	943,970
1895	52,892,276	2,221,475,592	111,285,264	5,161,710	14,801,224	910,988
1896	[b]60,960,361	2,560,335,162	110,923,620	6,121,836	12,349,319	1,059,542
1897	[b]60,475,516	2,539,971,672	121,488,726	5,020,968	13,430,320	994,781
1898	[b]55,364,233	2,325,297,786	114,915,082	4,764,111	17,026,626	1,053,231
1899	[b]57,070,850	2,396,975,700	117,683,967	5,957,829	17,904,015	1,557,607
1900	[b]63,362,704	2,661,233,568	137,501,160	7,310,270	18,262,744	1,648,069

[a] Exports are for fiscal years from 1893 to 1896, inclusive.

[b] In addition to this amount, 4,325 barrels of crude oil were produced in Kentucky and Tennessee in 1896, 4,377 barrels in 1897, 19,152 barrels in 1898, 13,578 barrels in 1899, and 19,712 barrels in 1900, for which, as none was sold or used, no value could be given.

Quantity of crude petroleum produced in, and the quality and value of petroleum products exported from, the United States, etc.—Continued.

Year ending December 31—	Exports.			
	Mineral, refined or manufactured.			
	Illuminating.		Lubricating (heavy paraffin, etc.)	
	Gallons.		*Gallons.*	
1871	132,178,843	$33,493,351	240,228	$92,49
1872	118,259,832	29,456,453	438,425	180,42
1873	207,595,988	41,357,686	1,502,503	517,98
1874	206,562,977	30,168,747	993,008	269,86
1875	203,678,748	28,168,572	938,052	255,87
1876	220,831,608	44,089,066	1,157,929	370,43
1877	307,373,842	51,360,205	1,914,129	577,69
1878	306,212,506	36,855,798	2,525,545	686,12
1879	365,597,467	32,811,755	3,108,561	713,28
1880	286,131,557	29,047,908	5,607,009	1,141,82
1881	444,666,615	42,122,483	5,053,862	1,165,06
1882	428,424,581	37,635,981	8,821,536	2,034,49
1883	440,150,660	39,470,352	10,108,394	2,198,24
1884	433,851,275	39,450,794	11,985,219	2,442,38
1885	445,880,518	39,476,082	12,978,905	2,639,21
1886	484,120,680	39,012,922	13,948,367	2,689,66
1887	485,242,107	37,007,336	20,582,613	3,859,29
1888	455,045,784	37,236,111	24,510,437	4,215,44
1889	551,769,666	41,215,102	27,903,267	4,628,72
1890	550,873,438	39,826,086	32,090,537	4,706,85
1891	531,445,099	34,879,759	33,310,264	4,999,53
1892	589,418,185	31,826,545	34,036,855	5,130,64
1893 [a]	642,299,816	31,719,404	32,432,877	4,758,92
1894	730,368,626	30,676,217	40,190,577	5,449,00
1895	714,849,144	34,706,844	43,418,942	5,867,47
1896	716,455,565	48,630,920	50,525,530	6,556,77
1897	795,919,525	46,229,579	51,228,284	6,478,47
1898	761,152,107	38,342,082	63,968,341	7,385,04
1899	724,562,993	48,466,200	69,329,188	8,344,75
1900	730,585,487	53,933,556	68,997,715	9,542,68

[a] Exports are for fiscal years from 1893 to 1896, inclusive.

Quantity of crude petroleum produced in, and the qualities and values of petroleum products exported from, the United States, etc.—Continued.

Year ending December 31—	Exports.			
	Residuum (tar, pitch, and all other, from which the light bodies have been distilled).		Total.	
	Gallons.		*Gallons.*	
1871	101,052	$10,450	152,195,617	$36,663,825
1872	568,218	56,618	144,318,707	33,761,685
1873	1,377,180	117,595	210,369,908	45,924,880
1874	2,504,028	177,794	235,108,168	33,042,276
1875	2,323,986	169,671	237,526,312	31,734,861
1876	2,863,896	239,461	263,449,455	49,545,219
1877	4,256,112	390,077	361,883,225	57,539,873
1878	3,126,816	220,835	349,346,253	41,022,007
1879	4,827,522	273,050	451,719,782	37,235,467
1880	3,177,630	198,983	346,779,443	34,505,645
1881	3,756,018	197,321	514,561,719	48,556,103
1882	4,265,352	275,263	503,492,462	44,623,074
1883	6,502,524	465,350	533,145,429	47,763,079
1884	5,303,298	327,599	544,495,608	49,457,116
1885	5,713,908	334,767	560,784,459	49,671,743
1886	1,993,824	109,673	591,884,302	48,145,204
1887	2,989,098	141,350	601,846,317	46,898,842
1888	1,870,596	116,009	572,457,975	48,105,703
1889	1,858,458	97,265	680,705,456	53,293,299
1890	1,830,612	91,905	693,829,848	52,270,953
1891	1,002,414	61,382	673,905,577	46,174,835
1892	403,032	38,220	744,638,463	42,729,157
1893 *	541,044	41,661	804,221,230	42,142,658
1894	211,008	14,704	908,252,314	41,499,806
1895	137,508	13,063	884,502,082	46,660,082
1896	204,960	14,330	890,478,904	62,383,403
1897	12,230,902	333,740	994,297,757	59,057,547
1898	29,418,454	806,570	985,480,610	52,551,048
1899	21,544,278	655,878	951,024,441	64,982,249
1900	19,776,370	841,769	975,123,476	73,276,282

* Exports are for fiscal years from 1893 to 1896, inclusive.

13074 Mr. ROSENTHAL. Defendants' counsel, of course, reserves the right, on redirect or at any other time, to use any other portion of the pamphlet which you have offered.

Mr. KELLOGG. Oh, certainly. We also offer part of pages 73 and 74 of the report of the Geological Survey on the production of petroleum in 1907.

The matter referred to is as follows:

13075 *Quantity of crude petroleum produced in, and quantities and values of petroleum products exported from, the United States during each of the calendar years from 1901 to 1907, inclusive, in gallons.*

Year.	Production.		Exports.			
	Barrels of 42 gallons.	Gallons.	Mineral, crude (including all natural oils, without regard to gravity).		Mineral, refined or manufactured.	
					Naphtha, benzine, gasoline, etc.	
1901	69,389,194	2,914,346,148	127,008,002	$6,037,544	21,681,734	$1,741,547
1902	88,766,916	3,728,210,472	145,233,723	6,331,011	19,682,637	1,392,771
1903	100,461,337	4,219,376,154	126,511,687	6,782,136	12,973,153	1,518,541
1904	117,080,900	4,917,400,320	111,176,476	6,350,682	24,989,422	2,321,714
1905	134,717,580	5,658,138,360	126,185,187	6,085,592	28,419,930	2,214,609
1906	126,493,986	5,312,745,312	148,045,315	7,731,226	27,544,939	2,488,401
	166,095,335	6,976,004,070	126,306,549	6,333,715	34,625,525	3,676,206

Quantity of crude petroleum produced in, and quantities and values of petroleum products exported from, the United States during each of the calendar years from 1901 to 1907, inclusive, in gallons.—Continued.

Year.	Exports.				Exports.			
	Mineral, refined or manufactured.				Residuum (tar, pitch, and all other from which the light bodies have been distilled).		Total exports.	
	Illuminating.		Lubricating (heavy paraffin, etc.).					
1901	827,479,493	$53,490,713	75,305,938	$10,260,125	27,506,352	$1,254,983	1,079,074,519	$72,784,912
1902	778,800,978	49,079,055	82,200,503	10,872,154	38,315,760	922,152	1,064,233,601	68,397,143
1903	691,837,234	51,355,668	95,621,941	12,690,005	9,758,240	282,129	936,697,255	72,028,539
1904	761,358,155	58,384,273	89,688,123	12,393,382	34,904,100	1,174,156	1,022,116,276	80,024,307
1905	881,450,388	54,900,649	113,730,205	14,312,382	70,727,877	2,127,696	1,220,513,587	79,640,929
1906	878,274,104	54,8 8,312	151,268,522	18,689,622	64,644,765	1,971,305	1,269,777,644	85,738,866
1907	905,924,296	59,635,208	152,028,855	19,210,353	75,774,754	2,527,582	1,294,659,979	91,383,064

13076 Q. Now, the Devoe Manufacturing Company established this business of exporting oil in tin cans before the Standard acquisition of their stock, didn't they?—A. I presume they did; that is, of selling it for export.

Q. I understand that.—A. Yes.

Q. And they were doing at that time a quite large business, of course in proportion to the business of the country, in eastern countries, in Asia, in that business?—A. I don't know where their business extended at that time.

Mr. ROSENTHAL. Didn't they simply sell to exporters here at this port?

WITNESS. Yes, they sold here for delivery here. I have no knowledge of their having exported any oil.

Q. But it did go in these cans to foreign countries?—A. Oh, undoubtedly.

Q. Now, is it not a fact that your company buys a large amount of refined oil in Russia for sale in Europe?—A. We have at periods bought considerable refined oil in Russia, but we have not recently done so.

Q. Did you not in 1904 buy 1,573,147 barrels?—A. I could not answer from memory as to the year 1904.

Q. You bought a large amount, didn't you, in that year?—A. Except from the records I could not undertake to testify to that.

Q. You say you have at periods. What periods do you recollect?—A. At different periods. I do not recall specific periods. I have not them in mind as to dates or specific periods.

13077 Q. Did you not sell in the same year, 1904, a very large amount of Russian oil in England?—A. Possibly.

Q. What is Crown Diamond oil?—A. Crown Diamond?

Q. Is not that a Russian oil?—A. I am not thoroughly familiar with the trade-marks or brands of Russian oils.

Q. You do not produce in this country an oil called Crown Diamond for export, do you?—A. I don't think so.

Q. You don't remember, then, selling a large amount of Russian oil in England in this year, 1904, or along there?—A. I could not give the dates. We have, as I say, at different periods dealt considerably in Russian oil.

Q. Are you now buying a large amount of Russian oil, for——A. No, I don't think we are buying any now.

Q. Roumanian oil?—A. We have some Roumanian interests.

Q. Are you buying oil from the Dutch East Indies?—A. I don't think so.

Q. Simply the Roumanian?—A. Roumanian.

Q. Do you buy a large amount for sale in Europe?—A. The Roumanian?

Q. Yes.—A. No, I don't think so.

Q. Do you produce a large amount in foreign countries?—A. We have some production in Roumania, but not a large production.

Q. You said you had very sharp competition by foreign countries, and I believe you said Russian, Roumania, and the Dutch East Indies?—A. And Galicia.

13078 Q. And Galicia—they are the countries producing crude petroleum?—A. In largest quantities. Other countries are also producing.

Q. Did I understand you to say that they protected their oil industries?—A. I think they all protect their oil industries.

Q. That is what I thought I understood. Now, as a matter of fact, you have in this country the same protection that they have abroad, haven't you?—A. As against their own countries.

Q. Or against oil produced in other countries and shipped to theirs and from that country to this?—A. Well, our Government imposes the same duty on oils produced in those countries that those countries impose on our products and those countries may at any time have our oil free if they will permit theirs to be free——

Q. Now, let us get at that.—A. Permit our entry there.

Q. You do not pay any duty——A. They may have free entry here if they will allow us free entry there. That is what I mean to say.

Q. Wait a minute. I think literally the statement is correct, but I think its application is erroneous. Let us see. Now, you pay no duties on the export of oil from this country to England, France, Germany, or Italy, do you?—A. France, Germany, and Italy all have protective tariffs. England has not.

13079 Q. Well, take England. I mean no duties other than those also imposed on the foreign countries. You pay no duty more than Russia?—A. I think our nation is on the "most favored" basis, with them all.

Q. That is right. In other words, you do not pay any duty into any of those countries which the other producing countries do not have to pay?—A. As I say——

Mr. ROSENTHAL. Except the country itself where the particular oil is produced.

Mr. KELLOGG. That is not what I am asking him.

Mr. ROSENTHAL. No; but your question was not as broad as it should have been—that is all.

Q. You pay no duties into France, Germany, Italy, or any other countries except those producing crude petroleum, which are not imposed on any country, do you?—A. I don't know as I understand that question. It is kind of involved.

Q. You say that you pay a duty into France?—A. Yes.

Q. So does Russia?—A. Yes; no doubt.

Q. So does the Dutch East Indies?—A. Yes.

Q. And so does Galicia?—A. Yes.

Q. And Roumania?—A. I suppose so; yes, sir.

Q. So the European markets are open to you exactly the same as they are open to those countries, are they not?—A. I presume they are. I suppose we are on the "most favored nation" basis.

Q. We ought to be, and I have no doubt we are.—A. I hope we are.

Q. So do I. Now, no foreign country can ship any oil into
13080 this country at all without paying duty, can it?—A. Oh, my; yes.

Q. What?—A. Any oil produced in any other country can come into this country free if our oil goes into their country free.

Q. Isn't it a fact that Russian oil shipped over to England, and from England to this country, has a tariff imposed on it?—A. I suppose if our country knew about it as they ought. It ought to be imposed, certainly.

Q. Certainly. So the result is that no foreign country producing oil can ship oil to this country without a tariff, nor can they ship to any other country in Europe and from there into this country without a tariff being imposed?

Mr. ROSENTHAL. Is not that altogether a moot question? Is there any oil that is imported into this country at all?

Mr. KELLOGG. Of course they can not import it into this country.

WITNESS. I can not imagine that any foreign country would want to evade the fair obligation of the tariff by shipping to one country and then transshipping. Russia can have her oil come here free today if she wants to.

Mr. KELLOGG. I think it is a moot question, but Mr. Archbold testified to it on the direct examination.

Mr. ROSENTHAL. He did not touch on it.

Mr. KELLOGG. Oh, yes; on the tariff.

Mr. ROSENTHAL. Oh, no.

Mr. KELLOGG. He said foreign countries had protection to their industries.

Mr. ROSENTHAL. That was not in connection with its rela-
13081 tion to the tariff question at all.

Mr. KELLOGG. I so understood it.

Mr. MILBURN. That was in its relation to trust-busting.

Mr. ROSENTHAL. It had relation to their restrictive features, locally applied in the particular countries.

Mr. KELLOGG. I misunderstood him, then.

Q. It is a fact, isn't it, that Russian oil can not be shipped into this country without paying a duty of 17.67 cents per gallon?—A. It is purely a question for Russia to say.

Q. Isn't it true?—A. She can have her oil come here to-day free if she wishes to.

Q. That is actually true, isn't it, that the tariff is 17.67 cents——A. Our tariff laws provide that Russian or any other oil—from Russian or any other territory—shall come here on exactly the same terms that they admit our oils, and there could not be anything fairer on earth; and all talk about there being any tariff favoritism to the Standard Oil Company is bosh.

Q. I did not say there was, did I?—A. Well, there is a great deal of such talk, and I thought this was all a general talk.

Q. No; you said foreign countries protected their industries. I wanted to see whether this country does it.—A. I thought you and I were discussing the tariff question.

Q. You said foreign countries protected their industries, didn't you?—A. Pardon me, I did not mean to——

Q. I wanted to see if this country did not protect its industries.

13082 Mr. ROSENTHAL. We will all agree that that is one of the fundamental principles of this country.

Mr. KELLOGG. Why, certainly.

Q. Please look at that and see if that is not a list of duties imposed on foreign oil coming into this country.—A. I could not, without referring to the rules of these foreign countries, say that that is correct; but if it is correct, it is optional with them to change it at any moment.

Q. Certainly, but you don't ship any oil into Russia, do you?—A. In spite of all the effort at prohibition on the part of Russia to American oil, we do get a little in on them occasionally.

Q. They do not ship into this country?—A. They do not.

Mr. ROSENTHAL. How about other products—lubricating products going into Russia?

Mr. KELLOGG. I am talking about refined.

Mr. ROSENTHAL. You get in on them quite a little, don't you?

WITNESS. Yes, other products of petroleum. I don't know that we send any refined there. We do send some of the specialties.

Q. The duty on Russian oil coming into this country is absolutely prohibitive, isn't it?—A. It is just what they make it.

Q. It is 17 cents a gallon, isn't it?—A. It is just exactly what they make it.

Mr. ROSENTHAL. What Russia makes it?

WITNESS. What Russia makes it.

13083 Q. I want to know what the tariff is?—A. I am not familiar enough with the tariff laws to state from memory as to the tariffs of all the countries in Europe.

Q. It is a very large tariff, isn't it?—A. I think it is; yes. Their effort is to keep us out.

Q. And we retaliate by keeping them out?—A. Very justly.

Mr. MILBURN. Don't say we. Say the Republican party.

WITNESS. The National Government.

Q. Now, you have some understanding with the big marketing companies of Europe whereby you agree on your proportion of business, haven't you?

Mr. ROSENTHAL. I shall have to object to that, upon the ground that it is not proper subject-matter of cross-examination. It opens up an entirely new field.

Mr. KELLOGG. If I recollect, Mr. Archbold testified to very sharp competition in foreign countries.

Q. Did you not?—A. I did.

Mr. ROSENTHAL. Just a minute. May the objection stand to the entire line of inquiry, subject to the same stipulation?

Mr. KELLOGG. Certainly.

Q. Now, is it not a fact that you now have an agreement with the principal marketing companies in Europe or some of them which are united under the European Petroleum Union?—A. The relations, whatever they may be, as to the marketing questions in Europe are in behalf of the companies there, and I have no personal knowledge that would enable me to testify regarding them. I do not
13084 know of anything that is not entirely in accord with the principles of good trade and with the laws of the different countries in which those companies are located.

Q. I am not asking you about that, but you testified in relation to competition. I want to know the extent of that competition. Do you know of the European Petroleum Union?—A. I know of it generally. I can not testify specially regarding it.

Q. Does that include the principal marketing companies of northern Europe?—A. I do not know what it includes.

Q. Well, there is some such understanding, isn't there, Mr. Archbold?—A. I should say that at times and in localities there have been trade understandings over there. What they are I do not know.

Q. You had an agreement by which at one time you divided the business of Germany with a Russian concern called the German-Russian Oil Importing Company, did you not?—A. I could not testify. I don't remember that name even. But, as I say, any such arrangements were made by the European companies, and I have not knowledge of them here. The fact remains, however, that general competition has continued in a very sharp way.

Q. Did you at one time, prior to 1904, have an agreement whereby you divided the business of England, Scotland, and Ireland?—A. Whom do you mean by "you?"

Q. Your companies—the Standard Oil companies.—A. The Standard Oil Company has never had any such agreement.

Q. I don't mean the Standard Oil Company. I mean the
13085 Anglo-American Company.—A. I could not testify as to what has been done by those foreign countries in a trade way.

Q. At present this European Petroleum Union includes the principal marketing companies of northern Europe, doesn't it?—A. I could not answer. I don't know what it includes.

Q. And under their arrangement you have divided up the business of Germany, England, and various other northern countries, have you not?—A. I could not answer. I do not know.

Q. But you know there is some such trade understanding?

Mr. ROSENTHAL. He has not said——

WITNESS. There have been trade understandings.

Mr. ROSENTHAL. That there were *such* trade understandings.

WITNESS. Not as you specifically state. There have been some trade understandings at times. What they have been, or what they have applied to, or whom they included, I could not testify.

Q. There are other American companies exporting oil, are there not?—A. Other American companies, yes.

Q. The Pure Oil Company of Philadelphia is an exporter of oil, is it not?—A. I believe they do.

Q. And the Gulf Refining Company?—A. I think they do.

Q. Those companies are not parties to that European Petroleum Union, are they?—A. I am not familiar enough with it to be able to testify about it.

Q. Your company is a party to such an agreement, is it not?—

A. As I say, any such arrangements that may have been in
13086 existence, or that may be in existence, are made by the European countries, and I do not know about them.

Q. You would be apt to be consulted, wouldn't you, about an agreement which included all the principal marketing countries of Europe?—A. Well, I may or I may not.

Q. Have you been consulted about it?—A. I remember at different times of hearing the question discussed of some relationship with different ones of those companies; but, as I say, who they were or what they were, or what they included, I am not familiar enough with the record to testify about.

Q. You know the big marketing companies of Europe, don't you?—A. I know some of them, of course.

Q. What are they?—A. Well, the Rothschilds and the Nobel Company are the two largest of the Russian companies, and in the Roumanian territory there is a very large syndicate made up principally of German bankers, the name of which I have forgotten, or at least I can not repeat, and in Galicia the names are beyond my ability to repeat. They are too much for me.

Q. They are rather difficult, I guess. Have you an agreement now with those companies?—A. I don't know what agreements are in existence now.

Q. There is an agreement, isn't there?—A. There may be in some localities.

Q. Those localities include Great Britain and Germany, do they not?—A. I could not say positively as to that.

Q. Great Britain and Germany are the largest markets you
13087 have, are they not?—A. Well, perhaps the largest markets as single States; yes.

Q. That is what I mean, as nations?—A. Yes; as nations.

Q. As foreign countries?—A. Yes.

Q. Then you can not testify to the amount of competition you have abroad?—A. Not in figures, but I know that it is very great, of course.

Q. You produced Exhibit 267, showing the crude oil production in this country of the Standard Oil as compared with the total crude oil production?—A. Yes, sir.

Q. Now, as a general proposition the Standard companies have not produced the larger part of their oil refined, have they?—A. I think this table shows the production as compared with the——

Q. Now, in the last two or three years there has been a very great production in this country of crude oil not suitable for refining, has there not?—A. A very large production of inferior crude oil that yields a comparatively small percentage of refined.

Q. Especially in California there has been an enormous production of crude oil which has not been used and is not in the present market suitable for refining?—A. California and Texas.

Q. California and Texas; yes. That crude oil is therefore not in competition with the crude oil suitable for refining, is it?—A. Well, it is coming to be. By the better understanding of it and by the efforts of the chemists in its handling it is coming to be pretty
13088 rapidly. The production of refined oil from it is improved, and coming to be more a competitor.

Q. I understand. I don't say that it can not be refined, but it is at present and has been in the past valuable only for fuel.—A. I should say that at present it has come to be more valuable, and there has been a very rapid increase in the price of those low-grade oils within the past year or two.

Q. A very large production of that has not been refined?—A. Well, a very considerable part of it is now being refined.

Q. Railroads are using it for fuel in the Pacific States and in the southwestern States, are they not?—A. I think they are using crude oil, or perhaps now the by-product, the heavier part of the crude.

Q. They are using large amounts of crude oil for fuel all over California and the southwestern States, are they not?—A. I presume that they are.

Q. No Oklahoma oil is being used by railroads for fuel, is it?—A. Oh, I think so.

Q. The railroads running through that country, at least in that vicinity, do not use crude oil at all, do they?—A. I think they do. I think they are coming to use it quite extensively. That is my impression.

Q. They use it on their western divisions, but not in and around Oklahoma, Indian Territory, and in that country, do they?—A. I

have not specific knowledge on the subject, but I should say that they use it very extensively in that section.

13089 Q. Do you know of any Indian Territory or Kansas oil which is being used for fuel?—A. Either the oil or, as I say, the heavy part, the by-product, the heavy distillate.

Q. The fuel oil which is produced by the refineries may be?—A. Oh, I think they use crude also quite largely.

Q. As I recollect, you testified that for some time the Lima-Indiana oil field was not supposed to be or was not known to be valuable for refining purposes?—A. That was true in its early development.

Q. In its early years?—A. Yes.

Q. That field was first discovered, or rather first commenced to produce petroleum(in 1886, wasn't it, in a small way?—A. I should say at about that time.

Q. And became quite a large production, a very large production, in 1889?—A. I should say so.

Q. Now, during those years I believe you said the price was very low because of the doubt of its availability for refining purposes?—A. It was for a period very low.

Q. In other words, from 1887 to 1889 the price was ranging along about 15 cents a barrel, wasn't it?—A. At times I think it touched as low as 15 cents. How long it remained there I could not say without the record.

Mr. ROSENTHAL. Lima oil?

WITNESS. Lima oil; yes.

Q. It was continuously 15 cents during 1887, and I think in 1888 and 1889?—A. I could not say without referring to the record.

Q. Very well. It was very low, wasn't it?—A. It was low, yes.

13090 Q. Now, during that time is it not a fact that you were constructing a pipe line from the Lima-Indiana field to Whiting, Indiana?—A. We did construct. I have forgotten just the period of its construction, but we did begin the construction of a line to Whiting, Indiana.

Q. You began it at least as early as 1888, didn't you?—A. I think it was 1888. The record would show when the line began.

Mr. ROSENTHAL. That line was laid before the Whiting refinery was even projected, for the purpose of conveying fuel oil to Chicago.

A. Yes.

Q. You commenced the construction of the Whiting refinery in 1889, didn't you?—A. We commenced it some time after the construction of the line.

Q. It was commenced early in 1889 and commenced refining and selling oil early in 1890, didn't it?

Mr. ROSENTHAL. I think not; a little later; 1891 or '92—1891.

A. I have not the refinery date in mind, but I think there was a period of about two years or perhaps more that the pipe line was used for transporting oil for fuel purposes alone.

Q. Now, you were preparing the Whiting refinery to use the Lima-Indiana oil, weren't you?—A. When we began the Whiting refinery, and indeed I do not hesitate to say that prior to that we were at work, through the chemists, on the question of trying to con-
13091 quer the sulphur element in the Ohio crude, and we did hope and expect that it would eventually be conquered.

Q. And you knew you could refine it, didn't you?—A. We did not know. We believed that we would keep at it until we could do something with it.

Q. And during that time you were buying up a large amount of this oil and buying producing wells, were you not?—A. I remember very well that some of my associates criticized greatly the buying of the oil at any price.

Q. Yes, but you bought it nevertheless?—A. We did buy it, and it was another case of the farsightedness of the Standard interests with reference to the possibilities of the trade. We were willing to take that chance.

13092 Q. During 1886, 1887, 1888, and 1889, you were buying the producing wells, were you not?—A. We bought probably some wells, but I do not know how many; I could not say without referring to the records.

Q. Didn't you buy a great many leases, or obtain leases, or buy the wells?—A. I could not, without referring to the record, testify as to the purchases in any given period, but we did acquire some considerable producing interests.

Mr. ROSENTHAL. The records that you have before you show when the acquisition of the producing interests began on any scale.

Q. Is it not a fact that in 1890, out of a total production of 15,079,278 barrels of Lima oil, the Standard produced 8,400,568?—A. I have not the figures here as to the Lima. Our total production in the year 1890, of all oils, was 11,019,205.

Q. All oils where?—A. In this country as a whole.

Q. Well, a large part of that was in the Lima field, wasn't it?—A. I have not the date at hand in reference to it.

Q. You know you were buying a large number of leases and production during those years of 1886, 1887, 1888, and 1889, weren't you?—A. We bought them——

Mr. ROSENTHAL. The question is whether you bought them during those years, Mr. Archbold.

WITNESS. Those years—I can not testify definitely as to those years.

Q. I show you a statement which you made—or ask you if you did make it—before the Industrial Commission, in 1899, or 1900
13093 (page 561 of the Industrial Commission), and ask you the amount of oil which the Standard produced in the Lima-Indiana field during that year. (At the top of page 561.)

Mr. ROSENTHAL. Let us examine it also a minute.

WITNESS. Do you want to look at this? [Handing book to Mr. Kellogg.]

Mr. ROSENTHAL. Oh, there isn't any doubt, I guess, of the correctness of that.

WITNESS. I haven't any doubt of the correctness of that statement.

Q. That you produced 8,400,000 barrels, in round numbers, out of the 15,000,000, in round numbers, produced in the Lima field that year?—A. I have no doubt as to the correctness of that statement.

Q. Prior to 1889 you had acquired that production, hadn't you?—A. We had.

Q. And you were buying it when the oil was very low, were you not?—A. Undoubtedly.

Q. And you were also buying large quantities of their oil at that low price?—A. We did.

Q. And you were building refineries to refine it?—A. We started a refinery at Whiting in the hope that we would be able to refine it, and failing to refine it and failing to be able to make illuminating oil, we expected to take off the light portions from the crude and market the products in a divided way, as fuel and naphtha.

Q. That is what you always do with all your oils, isn't it?—A. Yes, but I speak of it in this way, that we had that resource if we failed with reference to the refining of the oil.

13094 Q. You were also building a refinery at Lima, were you not?—A. I could not testify as to when the refinery at Lima was started. We did build a refinery at Lima.

Q. That was started before the Whiting refinery, was it not?

Mr. ROSENTHAL. Yes; I think about 1884 or 1885, somewhere along there.

WITNESS. Yes; I think it was. I think we used that for the same purpose.

Mr. ROSENTHAL. That was merely an experimental refinery in the first instance.

WITNESS. We were experimenting through all that period in the best way that we knew for the utilization of the oil. I desire to say also, in connection with the purchase of the oil for storage, which was the only possible outlet for the producers, and which they were anxious to have us do, that it involved the cost of the purchase of land, the erection of tanks, and the storage of the oil for an indefinite period; so that the total cost, when it came to the point of being able to market that great production, I should say left a very small margin of profit.

Q. In spite of that, the Standard Oil has been enabled to earn and pay in the neighborhood of from 30 to 45 per cent dividends and earn an equal amount each year for surplus, hasn't it?—A. I was speaking of the production of the Lima oil field.

Q. But that has been a very large production, hasn't it?—A. It has been a large production; yes.

13095 Q. And the Standard Oil Company of Indiana has used that oil exclusively, hasn't it, down to the opening of the Mid-continent field?—A. I think they have.

Q. And during that time it has paid a thousand per cent per annum dividends, sometimes, hasn't it?—A. Well, the records will show.

Mr. ROSENTHAL. A thousand per cent dividend on what?

Mr. KELLOGG. It has earned a thousand per cent.

Mr. ROSENTHAL. Capital stock or investments?

Mr. KELLOGG. Capital stock.

Mr. ROSENTHAL. Capital stock or investments?

Mr. KELLOGG. On all the money ever put into it as an investment.

Mr. MILBURN. He has got that on the brain. I think he ought to be allowed periodically——

Q. The Standard of Indiana, down to 1906 or 1907, used exclusively Lima-Indiana oil, didn't it?—A. I think it did.

Q. Including some of the oil that had been stored?—A. I do not know as to that.

Q. Well, it appears by the record that the stocks decreased. Now, in spite of this small margin of profit, the Standard Oil Company of Indiana, with an original capital of $1,000,000, has assets of over $27,000,000, hasn't it?—A. Well, the Standard of Indiana were not the people who stored this oil. They may have made money as against the people who stored and carried the oil.

Q. The same interest which owned the Standard of Indiana owned the concern which stored the oil?

13096 Mr. ROSENTHAL. We will concede that.

A. We controlled the business as a whole.

Q. As a matter of fact, the purchase of that Lima-Indiana oil and the purchase of Midcontinent oil at a low figure has been very profitable to the Standard Oil, hasn't it?—A. Why, the question of the profit on the Midcontinent oil is as yet altogether an undetermined factor that no man can foresee.

Q. Isn't it a fact——A. There was up to a period a very large loss, and I should say that to-day there is a very large loss.

Q. Isn't it a fact that every year you have charged off all the expense of carrying that oil and depreciation in its price?—A. In the Midcontinent field?

Q. Yes, sir.—A. Oh, I shouldn't think so.

Q. Do you know that it has not been done?—A. I don't know, I am sure.

Q. Hasn't the Prairie Oil & Gas Company charged it off?—A. I do not know as to their bookkeeping. I only know that they paid for a long period and are paying now more than their competitors in that field.

Q. And each year isn't it charged off?—A. I am not familiar enough with their bookkeeping to be able to answer.

Q. And in spite of its being charged off, the Standard has made the profits to which you have testified?

Mr. ROSENTHAL. The Standard or the Prairie Oil Company?

Mr. KELLOGG. Well, the Standard owns the Prairie Oil.

Q. Isn't it a fact that wherever you purchased oil and carried it the expense of carrying it is charged in the year's business?—

13097 A. That I couldn't say as a matter of bookkeeping; I am not familiar enough with it to know.

(A short recess was here taken.)

Q. Mr. Archbold, you presented in connection with this crude-oil production table, being defendants' Exhibit 268, which showed the production of the crude oil in the United States as a whole and the Standard's oil consumption. That is your consumption of crude oil in your refineries, isn't it?—A. Refineries and for all uses, yes.

Q. As a matter of fact, the principal amount of crude oil which makes the production so large where you purchase a small amount is in California and in Texas, isn't it?—A. There is a very large production both in California and in Texas.

Q. You don't include the Corsicana or the Security Oil Company in this consumption, do you?—A. Not the Security, certainly. The Corsicana for a period, perhaps, up to the time of the sale to Folger and Payne.

Q. You don't include the Tide Water Company?—A. Possibly our proportion of the Tide Water.

Q. Do you include the United Oil and the Florence Oil & Refining Company—those companies in Colorado?

Mr. ROSENTHAL. No; those are not included.

Q. Those are not included?—A. No.

Q. You purchase all the products of those refineries in Colorado, don't you?—A. I am not sure as to that. We purchase some of them.

Q. I think that appears. Then, this table is made up, with the exception of part of the time, perhaps, as to Corsicana,
13098 excluding the Security, the Corsicana, the Tide Water, and the Florence Oil & Refining Company, and the United Oil Company of Colorado?—A. I should think so.

Q. And it does include all the oil, this low-grade oil produced for fuel purposes in California and Texas?—A. I understand it to cover the entire production as near as we could get at it.

Q. As a matter of fact the percentage which you purchase of the Pennsylvania field, which includes southwestern Ohio, doesn't it?—A. Southeastern Ohio.

Q. Southeastern Ohio, I mean—the percentage of oil which you purchase in the Pennsylvania field is very large, isn't it? Over 90 per cent?—A. I don't know what the percentage would be now in Pennsylvania. I should not think it would be over 90 per cent.

Mr. ROSENTHAL. It isn't any such percentage as that.

Q. Well, 86 per cent?—A. I should not think so; I should not think near that.

Q. Very well, you can give these figures. You can give these figures in Table 268 by fields, can you not?—A. I have no doubt it can be given by fields.

Q. I wish you would divide up this table, defendants' Exhibit 268, so as to show it by producing fields. Now, another thing: This table

does not show the purchases which you are making and storing, of course?

Mr. ROSENTHAL. It shows simply the refinery consumption.

Q. Your percentage of the purchase of crude oil would be much larger than the refinery consumption, wouldn't it?

Mr. ROSENTHAL. Certainly.

Q. Because you are now buying large quantities in the
13099 Mid-continent field, for storage?—A. Yes.

Q. Can you make a table showing the percentage of the purchases and your percentage of consumption in each field separately?—A. If you will make a note of what you desire, Mr. Folger will take it and we will do the best we can.

Q. In connection with Table 268 I would like to have you divide this up so as to show the Standard's percentage of the purchase of crude oil and the Standard's percentage of consumption to production in each of the fields—the Pennsylvania field, which includes southeastern Ohio, the Lima-Indiana field, the Illinois field, the Mid-continent field, California, and Texas, separately. Now you say that you, in making the price of crude oil in the various fields where you purchase—the price is announced through the Seep Agency, I believe you said.—A. In the sections in which the Seep Agency makes purchases.

Q. Well, the Seep Agency does all the purchasing except in the Mid-continent field, California, and Texas, does it not?—A. No, no.

Q. And Illinois?—A. Illinois—the Ohio Oil Company buy the oil in Illinois.

Q. Joseph Seep, then, simply announces from time to time the price in each of those fields where he purchases, that he will make, does he?

Mr. ROSENTHAL. That he will pay.

Q. That he will pay, I mean.—A. That he will pay, yes.

Q. That is the market price, isn't it?—A. No, sir; that is the price that he will pay. Anybody else can pay a different price if they wish to.

13100 Q. You take into consideration various things in making that price from time to time?—A. Yes.

Q. That is, you take that into consideration?—A. We do; yes.

Q. You give such weight to the production, the demand, price, and other items as you see fit, don't you?—A. We give the most careful consideration possible to it.

Q. But you are the one who does it—that is, you and your assistants?—A. Myself and my associates; yes, sir.

Q. Then, after you take that into consideration you announce the price, don't you?—A. We announce the price that we are willing to pay.

Q. And that is the price you do pay?—A. That is the price we do pay; yes.

Q. And the producer doesn't have anything to say about it, does he?—A. He has everything to say about it.

Q. Well, he may kick, but that is all?—A. Well——

Q. You pay that price——

Mr. ROSENTHAL. Wait a minute. Answer that question fully, please.

A. The producer has the fullest possible latitude. He may not sell unless he wishes to. He may find another purchaser if he can, or if he wishes to; he may stop exhausting his property if he thinks the price is unfair.

Mr. ROSENTHAL. Or he may run it into the pipes and keep it there indefinitely, may he not?

WITNESS. He may run it into the pipes and keep it in for the chance of a better market.

Q. You say if his well is connected with your pipe lines he
13101 may cease producing?—A. Yes. He may connect his well to another line.

Mr. ROSENTHAL. And he may sell to other purchasers.

WITNESS. Certainly. There are other purchasers in all the fields.

Q. Let us see about that. He takes, finally, the price you announce, doesn't he?—A. If he so elects.

Q. You say he may carry his oil in storage for 25 cents per barrel for 30 days—25 cents per month per thousand barrels, I mean.—A. 25 cents per thousand barrels per day; not a month.

Q. 25 cents per thousand barrels per day?—A. Yes, sir.

Q. Now, I believe you said that a 35,000-barrel storage tank cost about 25 cents a barrel, or $9,000, say?—A. For the tank.

Mr. ROSENTHAL. He hasn't testified to that at all.

Mr. KELLOGG. Yes; he did. I took it down when he testified to it—25 cents a barrel.

Q. The total cost, then, of a storage tank would be in the neighborhood of $9,000 for 35,000 barrels, wouldn't it?

Mr. ROSENTHAL. You mean the tank alone?

WITNESS. The tank alone; yes.

Q. How much would the land cost?—A. It depends on the locality.

Q. Out in the country it isn't very expensive, is it?—A. In some sections it is very expensive.

Q. Nine or ten thousand dollars would cover everything for a 35,000-barrel——A. There are connections, of course, to be made. I
13102 should think nine or ten thousand dollars; ten thousand dollars, perhaps.

Q. Now, if he left his oil there a year, he would pay you $3,193.75, wouldn't he, on the capacity of that tank storage?—A. Whatever 25 cents a day would amount to for 30 days.

Q. It would be impossible, wouldn't it, for him to leave it there any such length of time?—A. Be impossible? Oh, no. Somebody has to carry it.

Q. But is not the price that you charge him for storage—doesn't it make it impossible for him to carry it any length of time?—A. I shouldn't think so; no.

Q. Well, as a business proposition?—A. If he believed in the possibilities of a better market, I should think he would be quite justified in carrying it.

Mr. ROSENTHAL. $3,000 would not be very much on 35,000 barrels of oil.

Q. Do you think he could carry that for a year?—A. That would be 10 cents a barrel or less; 8 cents a barrel.

Q. Has your price in the last three years in the Pennsylvania fields varied 10 cents?—A. I have not the range of prices, but at times there have been very great changes in prices of Pennsylvania oil.

Q. What other purchasers are there in the Lima-Indiana field?—A. Oh, there are a number of purchasers in the Lima field, and in the Indiana field as well.

Q. Only a small number—a small amount comparatively?—A. Well, in the aggregate they amount to quite a volume of business, I should say.

13103 Q. Who are they?—A. I can give you the lists, if you wish.

Q. In many parts of the Lima-Indiana field there are no other purchasers at all?

Mr. ROSENTHAL. Is that a question, or a statement, Mr. Kellogg?

A. Well, the other purchasers don't go into those parts of the field where the oil is of poor quality. They leave that to us. They pick out the best and run their lines there.

Q. Now, after the oil is run into your pipes, can you name any cases in late years where anybody else has bought it?—A. Well, they are at perfect liberty to do so. There have not been many recent cases, because almost all other buyers have their own pipe line relations.

Q. That is not a practical option, is it?—A. Oh, absolutely practical.

Q. They always sell it to your company, don't they?—A. Well, as a rule, because they are perfectly satisfied to do so. I think that there is no complaint whatever on the part of the producing class as a whole with reference to our relations in that respect.

Q. Suppose that a producer in western Pennsylvania runs a thousand barrels of oil into your pipe lines and takes a certificate. He takes a certificate, does he?—A. He can if he wishes.

Q. Very well. Suppose he does, and he wants to sell that oil to the Columbia Works, here at the seaboard; will you deliver it for him?—A. Will we deliver that? Oh, certainly.

13104 Q. You pipe it through your pipes and deliver it here, do you?—A. Of course; running that oil primarily is in the local system. The question of its carriage through the trunk lines is, of course, another feature of the business.

Q. Well, do you deliver that oil for him here at the seaboard?—A. We would through those lines that are common carriers, of course.

Q. That is, you would deliver that oil up to the state line of New Jersey, over at Unionville or Centerbridge?—A. We would deliver

it in accordance with the rules of the lines, as they exist and are made public. Everybody knows about them.

Q. That is, the lines in Pennsylvania and Ohio and New York are common carriers?—A. They are common carrier lines.

Q. So you would deliver that oil to him at what place?—A. At whatever point the obligation of the line made it obligatory to do so.

Q. What point is that?—A. I have not the names of the stations in mind—the locations. I can easily get it for you.

Q. Let me refresh your recollection. Unionville, on the New York Transit line up here, on the line between Jersey and New York—isn't it?—A. Between Jersey and New York?

Q. Yes.—A. Well, I don't know. Between Jersey and New York?

Q. Between New Jersey and the State of New York.—A. I would have to look that up. That is new to me.

13105 Q. Is it?—A. Yes.

Q. You constructed a large station there, at the time of the passage of the Hepburn bill, didn't you, between New Jersey and New York? On the line between the State of New Jersey and the State of New York, didn't you—at Unionville, New York?—A. I couldn't answer the question without making inquiry. I do not have to do personally with the operation of the pipe lines, and am not familiar with the details as to the names of stations throughout the country. But I can easily get it for you, or it can be testified to by the pipe line people.

Q. You say you would deliver that oil to the purchaser at the end of the line which is a common carrier?—A. Certainly——

Mr. ROSENTHAL. No, no. He said——

WITNESS. No.

Mr. ROSENTHAL. Anywhere on the line where they had a station.

WITNESS. Where they have a station.

Q. Where they have a station?—A. Yes, sir.

Q. Very well—where you have a station. Have you published tariffs to deliver oil at any place where you have stations?—A. On all the common carrier lines the tariffs and the rates are filed with the Interstate Commenrce Commission, and are accessible to every shipper.

Q. And the destination named in those tariffs, not one single one of them is where there is an independent refinery—is there?—A. I don't know if that is the pipe line's fault. If it is so, I don't know.

13106 Q. Is it not a fact?—A. I don't know.

Q. Every point on your lines where there is an independent refinery, the tariff doesn't apply?—A. Well, they may not be located there; I don't know. The pipe lines could not accommodate themselves to the location of the refineries.

Q. Now, would you receive that oil, in western Pennsylvania, for this man who had it, run it into your lines, and deliver it at New York Harbor, through your pipe lines?—A. We would deliver it wherever the obligation of the line compelled them to do so.

Q. Under the law?—A. Under the law; yes.

Q. Now, where is that?—A. As I say, I am not familiar enough with the local details of the operation of the line to tell you. The schedules are all filed with the Interstate Commerce Commission and are accessible to the public and to all shippers. Everybody knows about it who cares to know about it.

Q. As a matter of fact, years ago how did you do this, through certificates—a good many years ago, when issuing pipe-line certificates was a common thing?—A. Just the same.

Q. Where did you deliver the oil?—A. Of course, years ago there was more of a local demand in the oil region proper, where they had delivery stations, for the local gathering lines, and, indeed, which still survive—still exist, but, as I say, most of the buyers of oil now have their own pipe-line relations, and that business of ours has materially fallen off because of that fact.

Q. But years ago you delivered oil at what places?—
13107 A. At a great number of places in the oil regions. I couldn't remember the——

Q. At the seaboard?—A. We had just the same relation to the trunk lines that we do now. Those that were common carriers we had stations, of course. But, as a matter of fact——

Q. During those early years——

Mr. ROSENTHAL. Let him answer.

Mr. KELLOGG. Very well.

WITNESS. As a matter of fact, there has been very little oil—indeed, I scarcely recall the offering of oil by independent buyers so called—by other buyers—through our trunk lines, and there could be no stronger fact stated than that, as showing the impossibility of operating these pipe lines as common carriers. They are not demanded. They are necessarily an adjunct to the business as a whole, and the public as such has no interest in the matter whatever; and it is an impractical thing that they should be operated as common-carrier lines.

Q. You testified, in 1888, wasn't it, that they were operated as common carriers?—A. The laws compelled certain of them to be operated as common-carrier lines, and they are so operated and were so operated; but, as a matter of fact, it has very little practical significance.

Mr. MILBURN. That is the trunk lines you are speaking of?

WITNESS. The trunk lines I am speaking of.

Q. You did testify that they were common carriers and operated as common carriers, didn't you?

13108 Mr. ROSENTHAL. Why, he so testifies now.

WITNESS. I so testify now; yes.

Q. Both the trunk lines and the gathering lines?—A. The gathering lines are, of course.

Q. And the trunk lines also?—A. Certain of the trunk lines are, yes.

Q. Now, years ago you used to bring oil and deliver it at the seaboard, on these certificates, didn't you?—A. Never, except—not on the local certificates.

Q. But on other certificates?—A. Where people bought oil, I imagine there was oil brought.

Q. And delivered at the seaboard, was it not?—A. There may have been. Well, at the seaboard I do not recall that there was.

Q. At Philadelphia?—A. There may have been at Philadelphia, possibly.

Q. And New York Harbor, in the early days?—A. I don't know as to New York Harbor. I should hardly think so.

Q. Now, isn't it a fact that when the Hepburn bill was passed, or just before its passage, or when it was before Congress, you conveyed all the lines in Jersey and all the lines in Baltimore—in Maryland, I would say—so as to prevent the Pennsylvania lines owning the lines across Jersey—the Pennsylvania and New York lines—owning the lines across the State of New Jersey and across the State of Maryland in order to reach the seaboard?—A. Well, that is rather an involved question.

13109 Q. Didn't you convey those lines in New Jersey to prevent them being common carriers?—A. I am not familiar with the details of the records of the pipe-line business in respect to these various interests. But I can answer generally, from a general knowledge, that we have at all times endeavored to so shape the business of those lines as to be in exact conformity with the law as it stood and as it was created, under the most careful possible legal advice.

Q. Now, for many years the lines across the State of New Jersey belonged to the National Transit Company and to the New York Transit Company, didn't they?—A. I could not say as to that as a matter of memory.

Q. And you conveyed them in 1906?—A. Whatever was done, as I say, was done under advice of counsel, to bring us in exact conformity with the laws as they were created.

Q. And to prevent the lines in New Jersey and Maryland from becoming or being common carriers?

Mr. ROSENTHAL. He has already answered that, repeatedly—that he does not know why that was done, if it was done.

WITNESS. Whatever the law was, it was complied with.

13110 Q. You stated that the uncertainty of production in particular fields made the pipe line supply a very hazardous undertaking, and noted particularly the Cherry Grove field: did you?—A. Yes, I did.

Q. The Pennsylvania field as a whole increased gradually, from year to year, until the year 1900, didn't it?

Mr. ROSENTHAL. We put in a record here showing the exact amount.

Mr. KELLOGG. But the record is incorrect, in that it leaves out the southeastern Ohio field and classes that with the Lima-Indiana field.

Mr. ROSENTHAL. The record is correct as to just exactly what it purports to show. And I think you will retract your statement that it was incorrect, when you come to examine it with your statistical associate.

Mr. KELLOGG. It is incorrect in that it does not show the Pennsylvania field as a whole. It divides the Pennsylvania field and puts part of it in Ohio.

Q. The southeastern Ohio field is known as part of the Pennsylvania field, isn't it?—A. Well, its production is of the Pennsylvania quality, if that is what you mean, yes.

Q. And it is called the Pennsylvania field?—A. No, it is not called the Pennsylvania field. It is classed as Pennsylvania oil, as a trade phrase.

Q. And that oil is piped, is it not, to the eastern seaboard and Pennsylvania points?

Mr. ROSENTHAL. Let Mr. Archbold have the exhibit, if you want him to testify to statistics.

13111 Mr. KELLOGG. I don't know where to lay my hand on it.

Q. Now, Cherry Grove—what pipe line entered that field?—A. The local pipe lines, the gathering lines, and then there were some competitive lines also.

Q. Gathering lines of what company?—A. I should say it was the United Pipe Line's system.

Q. Very well. Now, in all your pipe line systems you charge off each year, or at stated periods—perhaps not each year, the depreciation and losses by lines that become useless—and other like causes, do you not?—A. I am not familiar with the current bookkeeping of the pipe line companies, and I do not know about it in detail.

Q. Well, your books do show that they are charged off from year to year.—A. That would be a matter of reference to the books, before I could testify regarding it.

Q. Then, the losses to the Standard Oil Company as the owner of these various pipe lines, by reason of fields giving out and pipes having to be taken up—or lost the use of, are charged off from year to year as depreciation or operating expenses, are they not?

Mr. ROSENTHAL. Certain amounts are added each year, if you please, for depreciation, but the particular amount which appears upon the books as being charged off that year for depreciation, may be an accumulation of many years' charges.

Mr. KELLOGG. Oh, certainly.

Q. But from time to time it is charged off, is it not—all these as to what charges from year to year for depreciation are

13112 made or have been made.

Q. Oh, I am not asking you the particular details—because they appear.

Mr. ROSENTHAL. I don't think he knows anything about it.

WITNESS. I don't think I could——

Q. But I want to know if it is not a fact that all of these losses that you are talking about in the fields, by reason of the wells giving out and the pipe lines not being necessary, are not charged off from time to time before the profits are paid out in dividends.—A. I couldn't answer that without reference to the books. I do not know about it.

Mr. ROSENTHAL. I don't want to reflect on your ability as a bookkeeper, but I am not quite sure that you could if you referred to the books.

Q. Now, was that Cherry Grove field in the South West Pennsylvania lines?—A. I should not think so.

Q. The South West Pennsylvania is a local gathering line, isn't it?—A. The South West Pennsylvania, I think, is——

Q. A pipe line?—A. A pipe line—trunk line.

Q. Trunk line?—A. Trunk line.

Q. It is a local gathering line, isn't it?—A. I rather think it is a trunk line, one of the connecting trunk lines.

Q. It appears in the balance-sheet of December 31, 1906, that out of a total cost of $3,122,591.59, you charged off to depreciation $2,284,257.42, leaving $838,334.17 as the cost of the line.—A.

13113 It is down in the southern part of the field some place, I don't know exactly which field.

Q. Now, it is a fact, isn't it, that all these depreciations are from time to time charged off, and these losses?—A. As I say, the question of book-keeping in the charging off of depreciation from time to time I am not familiar enough with to testify.

Q. That is a question of business, isn't it, and not of bookkeeping? Bookkeepers wouldn't charge these off unless they had orders to charge off depreciation, would they?—A. Whatever was done was done by the pipe line authorities, and I have never been personally engaged in that department of the business.

Q. You have been testifying more or less about the pipe lines.—A. In a very general way. I have been a director in some of the lines, and know about them generally, but I could not testify as to the details of the administration of the business. It was managed through many years by Mr. Brewster, Mr. Rogers, and Mr. O'Day. I did not have to do with it personally in the way of administration.

(A recess was here taken until 2 o'clock p. m., at which time the cross-examination was resumed by Mr. Kellogg, as follows:)

13114 Q. Mr. Archbold, is it not a fact that the laying of small lines to reach individual wells, as you open up new wells and new fields, or new wells in the old fields, is simply charged to operating expenses each year, rather than as a permanent investment?—A. I couldn't answer positively, but I should not think so.

Q. When the lines are taken up and changed, all the loss is charged to operating expense, is it not?—A. As I say, I have not been related directly with the pipe line business. I do not know especially as to details.

Q. The United Pipe Lines division of your National Transit Company is your largest gathering line system reaching the wells in Pennsylvania, isn't it?—A. Yes, in Pennsylvania.

Q. That has practically all been charged off, hasn't it?—A. I do not know, but I don't think so.

Q. It appears in your accounts that the cost of that, $4,234,910.46, is all charged off but $116,813.92—A. I could not testify as to the bookkeeping processes of those companies.

Q. I know. But isn't it your business policy to practically charge off all the expense, or the larger portion of it, of these collecting lines?—A. I should not think so; but, as I say, I could not testify with reference to it, for I am not familiar with it.

Mr. KELLOGG. Did you have that exhibit as to the cost of refineries corrected?

Mr. ROSENTHAL. No. We are looking into that.

Mr. KELLOGG. All right.

13115 Q. You produced defendants' Exhibit 277 here, which purports to be the competitive refineries in the United States, Mr. Archbold, didn't you?—A. I believe I did.

Q. Substantially all those refineries in Kansas and Oklahoma have been established since 1900—during the year and since 1906, haven't they?—A. I could not give the exact dates.

Q. You know in a general way that up to about 1906 there were practically no independent refineries, outside of perhaps one, two, or three, in Oklahoma and Indian Territory?—A. Oh, I think there were quite a number before that.

Q. When did they commence?—A. I should say they commenced four or five years ago; five years ago, perhaps.

Q. That would be 1904. Nearly all built since 1906, weren't they?—A. 1902 or 1903, I should say. Well, they have been built since 1900, I should say.

Q. There was just one refinery there, isn't that a fact, in 1904, and that was the Webster refinery?—A. Oh, I think there were a number.

Q. What were they?—A. I will have to look. I can not state from memory. But I think I was there last in 1904, and I think there were a number.

Q. Do you know of one single refinery there, outside of the Webster, being in operation in 1904?—A. As I say, I think there were a number. I will look it up if you wish.

Q. Well, then, you don't know that this statement that you have presented here is the refineries that have been in existence more than two or three years?—A. It is just as it states.

13116 Q. At present, yes.—A. Yes.

Q. Now, I notice here that there is a lot of duplications. The National Refining Company is put down as six different concerns, in six different places. It is all one concern, isn't it?—A. Well, I imagine they have different refineries.

Q. Yes, but it is all one concern?—A. One organization, yes.

Mr. ROSENTHAL. You don't put in all of our refineries as one refinery, do you?

Q. Has the National Refining Company any refinery at Marcus Hook?—A. I can only answer by investigation.

Mr. ROSENTHAL. Suppose you give him the list and let him examine it.

WITNESS. If that list states it, I believe the list to be correctly made up. There may be possibly a clerical error in it, but I should doubt it.

Q. Now, you have got the following refineries in Pennsylvania: Manufacturers Paraffine Company; Enterprise Oil Works; Sunlight Oil & Refining Company; Coldwater Oil Company; Franklin & Raymilton Refining Company, of Philadelphia and Raymilton, Pennsylvania; that is, all those are either at Philadelphia or Raymilton. Are any one of those refining institutions?—A. I think they are all refining institutions.

Q. Do you know that they are?—A. They are, according to the very best of my belief and information.

Q. Where did you get the information that they were refining interests?—A. These were gathered by the people in the different departments who know about the individual concerns.

13117 Q. Do those refineries refine any crude oil at all?—A. Oh, I imagine they do.

Q. You don't know personally anything about it?—A. I am ready to testify that the list is correct and carefully made up.

Q. How do you know it is correct?—A. Because that is my information.

Q. Did you personally make it up?—A. I did not make it up personally, no.

Q. It was made up by others?—A. It was made up by others, yes.

Q. Now, here are a large number of asphalt companies in California. Do you know that they refined any illuminating oil?—A. I do not think there is anything there but that refines petroleum.

Q. Well, an asphalt refinery handles crude oil, but it doesn't make refined oil?—A. In the process of making asphalt it has to dispose of its light products. It would be a very considerable part of the crude oil run.

Q. It does not necessarily make illuminating oil, does it?—A. I imagine they all do make illuminating oil.

Q. You imagine it; but do you know it?—A. I know it from that statement. I believe——

Q. And all you know is that this statement was made up in your office?—A. I believe in the correctness of that statement.

Q. But you don't know personally whether it is correct or not?

13118 Mr. ROSENTHAL. Personally he has not been in each one of those refineries.

WITNESS. Personally I have not been in each one of those places. But I am willing to testify to that as a correct statement.

Q. Doesn't your refinery in California refine more illuminating oil than all the others in California put together?—A. I can't answer that question without investigation. My belief is that there are a great many more refineries throughout the country that might be

classed as such that are not included in that list. I think that is a conservatively estimated list.

Q. How do you know it is?—A. I have been told by the people who do have personal knowledge that that is so.

Q. Yes. Well, you only know that from hearsay, then?—A. I know it by the best information that I can obtain. I have not visited each of these localities personally.

Q. Name one refinery that is not in that list?—A. If you wish, I will look up the matter further and give you a further list.

Q. No; you have produced that as correct. What do you mean by a refinery in the sense you are now talking about?—A. I mean a manufacturing concern that handles crude petroleum, and in the process makes illuminating oils or other products that are called petroleum products.

Q. Take an asphalt company. You——A. Not asphalt. Excluding asphalt.

13119 Q. Well, you have got a large number of asphalt companies in here?—A. Then they must have, as a part of their business, the other features to which I refer.

Q. But personally you don't know that?—A. Personally I have not visited these localities.

Q. Mr. Archbold, in the accounts of the Southern Pipe Line Company between 1899 and 1905 there appear as charged to P. S. Trainor a large amount of money each year, varying from two and a half to four million dollars per annum, amounting, as I recollect, to something like $22,000,000, which Mr. Trainor testified he could not explain and did not know what it was. Do you know what that is?—A. I do not.

Q. For instance, in the year 1899, $2,607,852.99 out of total receipts of $4,336,618.60; in the year 1900, $4,599,832.46, amounting to more than the total earnings of the company; in the year 1901, $2,745,628.39 out of a total gross earnings of $4,311,561.25; in the year 1902, $3,256,930.67 out of a total of $4,386,146.96; in the year 1903, $2,663,729.15 out of $4,155,055.67; 1904, $3,915,836.15 out of a total of $3,923,200.77, and 1905, $2,341,344.31 out of a total of $4,149,828.88. These are taken from the balance sheets of the Southern Pipe Line, petitioner's Exhibits 67 to 73.

Mr. Rosenthal. Now, what is the question?

Q. The question is, whether you know what that charge to P. S. Trainor was made for and what became of the funds?

Mr. Rosenthal. Do you mean what the general subject-matter related to?

13120 Mr. Kellogg. No, what particularly became of those funds, and what they were charged to Trainor for?

Mr. Rosenthal. Do you expect Mr. Archbold to carry the accounts that you have named in this question in his mind?

Mr. Kellogg. Well, not the exact amounts, but about; amounting to about $22,000,000.

Mr. Rosenthal. I think he could tell you about the subject-matter. But I object to any questions concerning this subject-

matter, upon the ground that it is not cross-examination of anything that was gone into on the re-direct.

Mr. KELLOGG. Please answer the question.

A. As I have already said, I have not had to do personally with the pipe line administration, nor am I familiar with the bookkeeping methods or records in the matter. My general impression is that these amounts were simply an adjustment as between the refining companies which Mr. Trainor was supplying and the pipe line companies, and the reason for it I do not know, I am not familiar with.

Q. Mr. Trainor says he does not know anything about it, that the money was never paid to him, that this Southern Pipe Line Company simply transported the oil, that it did not buy or sell oil. Is that correct?—A. I——

Mr. ROSENTHAL. Now, wait a minute. I submit that that question should be divided.

Q. I will divide it. Mr. Trainor says the Southern Pipe Line Company did not purchase or sell any oil, but simply carried it for hire, and the earnings are used by the Southern Pipe

13121 Line Company. Is that correct?—A. I have no doubt that Mr. Trainor testified correctly in that respect.

Q. Now, it appears that the operating expenses of this pipe line are very small, amounting to $200,000 or $300,000 or thereabouts each year?

Mr. ROSENTHAL. That is nothing for a government lawyer, you know.

Q. Now, why should there be charged out of the earnings of this pipe line from $2,000,000 to $4,000,000 a year?—A. As I say, I am not at all familiar with it, and do not know about it. I imagine it was an adjustment as between those companies having a common ownership, and I do not think it was anything more than a bookkeeping exchange, whatever it meant.

Q. An adjustment of what?—A. That I am not familiar with. I could not testify regarding it.

Q. There is no evidence we can get in this case that it is an adjustment of losses of any company?—A. There was no division of interest or difference of interest involved in it. It was between companies of the same common ownership, and why it was done, or for what purpose, is more than I can testify to.

Q. Was it done to show smaller earnings for these pipe lines?—A. As I say, I could not testify to it. I did not have to do with it.

Q. You know nothing about it?—A. I know nothing about it in its detail.

13122 Q. All right, sir. Will you look it up and find out what it is?—A. I will make further inquiry about it if you wish, and if counsel so advise.

Q. Now, Mr. Archbold, the National Transit Company was in 1884 a carrier of crude petroleum from Western Pennsylvania to the seacoast, wasn't it, for your various companies?

Mr. ROSENTHAL. What company is that?

Mr. KELLOGG. The National Transit Company.

A. I presume that it was. Whether the connecting line was perfect in the National Transit Company—I think it was.

Q. And the Pennsylvania Railroad was also engaged in carrying crude petroleum to the seaboard, wasn't it?—A. In 1884?

Q. Yes.—A. Yes, sir; I presume it was.

Q. Do you remember a contract—two contracts—entered into between the National Transit Company of the one party, and the Pennsylvania Railroad Company of the other party, on the 22nd day of August, 1884, whereby the National Transit Company undertook to give the Pennsylvania Railroad Company 26 per cent of all crude oil transportation from western Pennsylvania to the seaboard?

Mr. ROSENTHAL. I object to that for the same reason as heretofore stated, that it is not cross-examination.

Mr. KELLOGG. The same objection may apply to all questions, and the same stipulation.

A. I do not remember as to the two contracts. I know there was one such contract. What two contracts mean I do not recall.

13123 Q. Both contracts were dated on the same day and really made as one contract.—A. I do remember such a contract, yes.

Q. That contract provided, did it not, in substance, that you were to undertake to see that the Pennsylvania Railroad Company got 26 per cent of the business?—A. It did.

Mr. ROSENTHAL. I suppose the contract is the exhibit that is attached to the bill?

Mr. KELLOGG. The exhibit that is attached to the bill, yes.

Mr. ROSENTHAL. I suppose that shows very clearly for itself what the terms are?

Mr. KELLOGG. Yes.

Q. And the contract made of the same date, which is, although a separate contract, a part of the same transaction, I judge, provided that the National Transit Company would transport the Pennsylvania's proportion of that oil, of the 26 per cent, at a certain charge and pay the Pennsylvania Railroad Company the balance, didn't it?—A. Whatever the terms of the contract are. I could not undertake to state from memory. The contract itself, I should say, would be the best evidence.

Q. I want to refresh your memory. The contracts are Exhibit 14 attached to the bill, one of them on page 262 and the other on page 266 of the petition.—A. Do you want me to read the contracts?

Q. No, I want you to look at them. On page 266 I call your attention to this provision: "That whenever the through rate for transporting a barrel of crude petroleum from Olean to Philadelphia shall be 40 cents, the Transit Company shall receive 8 cents

13124 per barrel as such compensation for so much of said oil as under the provisions thereof shall be considered as Philadelphia oil." In other words, the Pennsylvania Railroad Company got 32 cents of that rate per barrel when it was 40 cents, for its 26 per cent of the oil, and carried no oil at all. Is not that a fact?

Mr. ROSENTHAL. I object to that, because the contract shows for itself just what it is, and I don't think you have correctly interpreted that, Mr. Kellogg.

Q. Well, what is you answer?—A. What is the question?

Mr. KELLOGG. I will change the question. In other words, the Pennsylvania Company got a portion of the rate without hauling the oil. Is not that true?

A. I would not undertake to interpret the contract, and certainly not without carefully studying it as a whole. It is a long time ago, and my relation with it was only of a general character. I did not have to do with it personally; but I could not construe the legal bearings of the contract.

Q. No; I am asking you what was actually done under it. Isn't it a fact that as to the Pennsylvania's proportion of that oil you pumped it through your pipe lines yourselves?—A. I could not say without investigation.

Q. Isn't it a fact that you paid the Pennsylvania Railroad a part of the rate, without its performing any service whatever?—A. As I say, I could not undertake to interpret the terms of the contract without reading it all, and I think it is a legal proposition anyway.

Q. I am not asking you what the contract provides. I am
13125 asking you if you did not actually pay the Pennsylvania Railroad a part of the rate for hauling that oil, without its performing any service whatever?—A. I can not state from memory what the transactions were under the contract.

Q. Isn't it a fact that you had personally to do with the adjustments under that contract?—A. I did, some time in the nineties, come into a somewhat closer relation with it, more particularly when it was abrogated, when it was annul'ed, but I never had to do with its operation.

Q. As a matter of fact, it was in existence in 1893, '4, and '5, wasn't it?

Mr. ROSENTHAL. No.

A. No; my recollection is that it ceased with 1892.

Q. Isn't it a fact that it was only modified during a part of the year of 1893?—A. I think I came to have to do with it at that time, and my recollection is that 1892 was the last year under which the contract was operative.

Q. Did you receive a personal letter from Mr. Frank Thompson, first vice-president of the Pennsylvania road, in relation to this contract?—A. I recall exchanging letters with Mr. Thompson on the subject, yes.

Q. (Handing witness volume 3 of the printed testimony.) Is the letter which I show you a copy of the letter which he wrote to you; pages 1499 and 1500, vol. 3?

Mr. ROSENTHAL. Let me see that before you answer. (Volume handed to Mr. Rosenthal.)

Mr. ROSENTHAL. This is the letter that appears in the testimony of Mr. Justice, heretofore given.

Mr. KELLOGG. Yes, sir.

13126 Mr. ROSENTHAL. This letter, which is under date of March 16, 1893, provides that the abatement is to take effect as of January 1, 1893, which is entirely within Mr. Archbold's recollection, as he has just indicated.

Q. Let me see if it does. Is that the letter you received from Mr. Thompson?—A. It appears to be.

Q. Now, does it provide that the contract is finally abated in 1893?—A. That letter provides for the abatement of the contract during the year 1893.

Q. That is all.—A. Beginning January 1, yes.

Q. And it expressly provides that nothing herein shall be held to in any other wise modify said contracts than as herein expressed, doesn't it?—A. It does.

Q. So that after the modification for the particular year of 1893 the contract remained in force unless canceled, didn't it?—A. It was further canceled, and has never been in operation since.

Q. When was it canceled?—A. Then.

Q. How do you know?—A. I know by my general recollection of the matter.

Q. Mr. Justice says that it was not actually canceled until 1905?—A. By that letter it was abrogated—it was abated by the year 1893, and in the following years similar letters were exchanged, and the abatement continued, and it has never been in operation since that time.

Q. Why was it canceled in 1905?—A. It was thought best to have it definitely out of the way.

Q. It had never been put definitely out of the way?—A. It

13127 had never been put definitely out of the way. It was mutually agreed between the contracting parties that it should be finally abrogated.

Q. So that in 1905 you entered into an agreement with the Pennsylvania Railroad, finally abrogating that contract, did you?

Mr. ROSENTHAL. He has not said so.

A. I did not say it was in 1905.

Mr. ROSENTHAL. He said the contract was abrogated in 1893.

A. At some subsequent date; I don't remember.

Q. Didn't you in 1905 mutually abrogate that contract?—A. I think it was earlier than that. I can find the date.

Q. What is your recollection?—A. As I say I should think it was earlier than 1905.

Q. Why, after all those years, was it necessary to abrogate it again if it had been already abrogated?—A. Because it simply necessitated the exchange of letters from year to year as to its abatement, and it was conceded by both parties that the contract—it was an amicable understanding that the contract should be abrogated.

Q. Now, you were pretty familiar with that contract in the early days, weren't you, in 1888?—A. I did know generally about it, of course.

Q. It was in force in 1888, 1890, 1891, 1892, and 1893, or up to 1893?—A. Up to 1893 it was; yes.

Q. And you testified in relation to that contract, didn't you, before the Industrial Commission——A. Possibly so.

Q. Or before the Committee on Manufactures?—A. Possibly.

13128 Q. In 1888?—A. Possibly so. I do not recall it.

Q. Did you testify to the following facts: "There is now no earthly reason whatever to have any competition between your line and the railroad in consequence of the fact that you have an agreement that divides the business on a pro rata or proportion?—A. I do not see any reason."

Mr. ROSENTHAL. You do not ask him if he testified to that?

Mr. KELLOGG. Yes; I do.

Mr. ROSENTHAL. No, no. That is a question, isn't it, asked by somebody else?

Mr. KELLOGG. Yes; and I asked him——

Mr. ROSENTHAL. That you just read.

Mr. KELLOGG. Yes; and I asked him if he did not so answer.

Mr. ROSENTHAL. No; that is not your question. Your question is so phrased that if he should answer "yes" it would appear that that which you just read was his answer.

Q. Now I will read you the questions and answers, and I don't believe you will misunderstand.

Mr. ROSENTHAL. Yes. Well, that is the way distinguished counsel should do when cross-examining a witness as to prior testimony.

Mr. KELLOGG. I am not a distinguished counsel.

Mr. ROSENTHAL. Well, now and then extinguished, but usually distinguished.

Q. I will explain to you, Mr. Archbold, that these are questions and answers: "Q. There is now no earthly reason whatever to have any competition between your line and the railroad in consequence of the fact that you have an agreement that divides

13129 the business on a pro rata or proportion? A. I do not see any reason. Q. In other words, under your contract with the Pennsylvania Railroad which guarantees to them 26 per cent of the oil, if they should attempt to compete with you and reduce the price they would not, under your agreement, be entitled to any more than 26 per cent of the business? A. No, sir. Q. Therefore every reduction of price that they would make, so long as they maintained the agreement with you, would be an injury to their treasury by taking that much money out of it? A. I should think it would. Q. They have, therefore, now no longer—assuming the maintenance of the agreement of which you have spoken—any inducement to decrease rates for the purpose of increasing their business? A. They have not." You testified to that?—A. Well, I recollect in a general way testifying there, and I have no reason to doubt the correctness of that record.

Q. That agreement, then, in substance did divide the business, didn't it?—A. It did.

Q. And it did provide in substance that your company, the National Transit, should carry the Pennsylvania's share through your pipe lines?—A. The details of the agreement speak for themselves in the paper.

Q. Yes; you did carry the Pennsylvania's share through your pipe lines, didn't you?—A. I could not answer; I do not know.

Q. And you did pay them a portion of the rate without their performing any service?

Mr. ROSENTHAL. He has already answered that repeatedly, that he has not any exact knowledge of that.

13130 Q. Did the Pennsylvania carry their 26 per cent on the cars?—A. As to the practical operation under the contract I can not testify, for I do not know.

Q. You performed your agreement, didn't you?—A. Oh, undoubtedly.

Mr. MILBURN. That goes without saying. They always perform their agreements.

Q. First it is agreed in the second agreement that the railroad company agrees that instead of delivering said crude oil to said cars at Milton, the Transit Company shall transport the same through its pipes to destination, and the Transit Company undertakes and agrees to do such transportation?—A. Whatever the terms of the contract provided, I have no doubt was carried out.

Q. You did then transport the Pennsylvania's share, didn't you?—A. I could not say what the actual operation of the contract was.

Q. Do you mean to say that having testified to that contract in 1888, having received letters from Mr. Thompson about its modification in 1893, and having had it called to your attention, you don't know whether you carried the Pennsylvania's share and paid them a part of the rate?—A. I do know that the contract was made, and that its terms were undoubtedly carefully complied with by the contracting parties; but what the actual operation of the business under that contract was from day to day I can not possibly testify.

Q. I am not asking you the details. I am asking you in a general way if you carried their products and paid them a part

13131 of the rate?—A. Well, that would mean from day to day, of course. I could not say what day they carried it, and what day the pipes carried it, if at all.

Q. The pipes agreed to carry it all?—A. If the Pennsylvania so elected, which probably they did.

Q. Probably they did; yes, if they could get it.—A. If they so desired; but I do not know that they did.

Q. If they could get two-thirds or three-quarters of the rate without performing any service, they would be pretty apt to do it, wouldn't they?—A. I don't know what their motive would be.

Q. Then the Pennsylvania Company in those early days was one of the principal crude petroleum carriers to the sea coast, wasn't it?—A. It was one of the principal; yes.

Q. And, in 1884, your pipe line and the Tide Water's were the only ones reaching the seaboard, weren't they?—A. They were.

Q. And by this agreement you removed all competition of the Pennsylvania Railroad, didn't you?—A. Well, at the time that agreement was made those carrying companies, namely, the railroad and the pipe lines, being in a similar line of business, found it advisable to make such a contract, as a simple matter of business economy. The pipe line was seeking to establish such a relationship to the business as would insure it as steady as possible a volume of business. The railroad company were satisfied to take this percentage, and in those days such contracts were entirely permissible and—well, of common occurrence as between such carrying companies. There was no criticism of them to be made in law or morals or business.

13132 Q. You think it was entirely permissible in 1892 to have a pooling agreement with the Pennsylvania Railroad whereby they agreed with you on a percentage of business and you agreed to carry their percentage and pay them a part of the rate without their performing any service?—A. Whatever the contract provided was made in 1884. It was a carrying out of a contract made at that date.

Q. And it was in existence in 1892?—A. It was operative until the end of 1892.

Q. Did you have similar contracts with the other railroads reaching the sea-coast?—A. I don't recall any such contracts.

Q. Did you have similar arrangements?—A. I do not recall that there was.

Q. You do not. What is your best recollection as to arrangements with the other railroads during that same time?—A. I don't think there was any such arrangement.

Q. The Pennsylvania was the principal carrying line, was it?—A. Well, it was the line with which that contract was made.

Q. And was it the principal crude oil carrying line to the seaboard then?—A. I should say it was perhaps the largest; yes.

Q. It reached the very heart of the oil-producing country?—A. Well, yes; not more than others, perhaps, but quite as much.

Q. Now, the Pennsylvania did, during all those years from 1884 down to the present time, substantially maintain those rates, did it not?—A. I think the rates have been substantially the same.

Q. During all these years?—A. During all these years; yes.

Q. And it has not practically, then, competed in carrying

13133 oil to the seaboard, has it?—A. Well, it has competed in the sense of furnishing transportation for a very large quantity of oil.

Q. Are not those rates to-day, as against the pipe lines, prohibitive to an independent shipper?—A. Well, I have no reason to say so; no.

Q. The rates are very much higher than the cost of transportation by pipe line, are they not?—A. I am not a railroad man. I don't know what the cost of transportation by rail is.

Q. I don't ask you the cost of transportation by rail. I ask you if the rail rates were not very much higher than the cost of transportation by pipe line?—A. Oh, they are higher than the cost of transportation by pipe line, of course.

Q. They are four or five times as high, aren't they?—A. I would not say how much.

Q. Isn't it practically impossible for any independent manufacturer to ship his crude oil, and hasn't it been impossible during all those years for any manufacturer to ship crude oil by rail to the seaboard and pay these rates?

Mr. ROSENTHAL. They have been doing it for twenty-five years.

Q. Isn't it? Answer the question.—A. I should not think so. I don't know what the practicability of it would have been through this period of years. There has grown up during that period a very large refining interest in competition with the Standard Oil

13134 interests and they must have found a market for their goods.

Q. Are they shipping crude oil to the seaboard?—A. Some at the seaboard, more in the interior, whose products are shipped. They probably located at the interior because of the advantage of having to ship only the manufactured products.

Q. Is not the crude oil manufactured at the seaboard now in competition with the Standard transported by the United States pipe line and the Tide Water, if you call that competition?—A. Well, largely so.

Q. Do you know of any considerable manufacturer of refined oil at the seaboard shipping by rail?—A. Oh, yes; one of the most prosperous concerns in the business is located right here in New York, and ship their oil by rail always.

Q. What concern is that?—A. Ellis & Company.

Q. How large a concern is it?—A. Oh, a very considerable concern. I don't know what their business amounts to—they are prosperous.

Q. It is the only one you know of?—A. I say here, and then there are others at Philadelphia.

Q. They ship by pipe line, don't they?—A. I think some of them ship by rail. I am not entirely sure about that.

Q. The Ellis concern is chiefly lubricating, isn't it?—A. They make lubricating specialties, and they make all grades of petroleum products.

Q. Very little illuminating oil, do they?—A. I think they make all the illuminating oil that can be made from the crude run.

13135 Q. Now, you testified as I recall that during the early days you were familiar with the rate situation in Pennsylvania, and Pennsylvania to the seaboard, did you?—A. I did, and I was.

Q. For how many years?—A. I had to do it especially up to 1881 and 1882. I had to do with it especially beyond that, I should say.

Q. I did not get your answer.—A. Perhaps well into the eighties.

Q. And as I understood your testimony the question of rates was a question of personal contract between the shipper and the rail-

roads?—A. Up to the passage of the Interstate Commerce law that was certainly true.

Q. It then depended upon who could make the best contract, did it?—A. It was obligatory on every shipper to make the best contract he could.

Q. That is, if he wanted to succeed?—A. If he expected to succeed, and most everybody did.

Q. Most everybody didn't succeed, though, did they? [Witness laughs.]

Q. The great majority of the refiners went out of business, didn't they?—A. I don't know what majority of refiners went out of business. I know of no refiners that went out of business except voluntarily and amicably.

Q. Perhaps they may be going out amicably, but they either went out of business or they went into the Standard Oil, didn't they?—A. They went out, if at all, because of their own desire, and a realization that their properties being of the early primitive class were not fitted to survive as against the newer and better class of construction that was being created in the business.

Q. Their refineries were built at the same time yours were, many of them, weren't they?—A. Some were. Most of those that you, I imagine, refer to had been built in the very early history of the business, and were very primitive in character.

13136 Q. You remember you testified about these rates in the very early days. You remember the South Improvement Company contract, don't you?—A. I do remember the South Improvement Company contract.

Q. And you were one of the most violent opposers of that contract, were you not?—A. I was.

Mr. ROSENTHAL. Just one moment. May we have the same objection?

Mr. KELLOGG. The same objection; yes.

Mr. ROSENTHAL. And the same stipulation?

Mr. KELLOGG. Yes.

Q. You denounced that contract in public meetings in western Pennsylvania, didn't you?—A. I did.

Q. As an outrage on the Independents, didn't you?—A. Well, as an outrage on the business as a whole that was not included in it.

Q. Yes; that is what I thought.—A. Yes.

Q. It was a very good thing for those that were included in it?—A. I do not know whether it would have been or not, I am sure.

Q. The features of that contract that you denounced were what features?—A. Well, I denounced its exclusiveness.

Q. That rebates were to be paid to shippers under that contract?—A. Well, the exclusive nature of the contract I denounced most vigorously.

Q. What do you mean by the exclusive nature of it?—A. The fact that it provided that the rates should be given to the people named in that contract and not to others.

13137 Q. And that the others should pay the full rates?—A. And that the others should pay the full rate; yes.

Q. And the rebates named in that contract were so enormous that the independents could not possibly live under it, could they?

Mr. ROSENTHAL. They were all independents, you know, in those early days.

Mr. KELLOGG. What is that?

Mr. ROSENTHAL. I do not quite know what you mean by independents in 1872.

Q. Well, you denounced the exclusiveness of it?—A. Yes sir.

Q. Explain a little further what you mean by that.—A. I mean that I did not approve of the contract as a whole, in that I considered it impractical and unfair, and that whatever the intentions of the people who originated it were as to including everybody, as they said, that it could not be practically done, and that it ought not to go into operation.

Q. You didn't understand that it was made for the benefit of your company, did you?—A. I did not until I had denounced it. I was told later that we might be included, but I didn't want to go in on it.

Q. And afterwards you came into the fold?—A. I never came into the South Improvement Company; no.

Q. Well, you came into the Standard Oil arrangement. But during those years——

Mr. ROSENTHAL. Just a moment. He has not had any opportunity to answer that hard question that you just asked him. Now,

13138 give him a chance.

Mr. KELLOGG. I will give him all the opportunity he wants.

Mr. ROSENTHAL. Now, what is the question?

Mr. KELLOGG. Please read it.

(The question was read by the reporter.)

A. I later became identified with the Standard Oil, some years later.

Q. During the time of the discussion of this contract and up to the time the South Improvement Company charter was repealed by the legislature there was very great excitement out there in western Pennsylvania, wasn't there?—A. There was.

Q. Big meetings held?—A. Yes, sir.

Q. In which all the producers and refiners, practically, of western Pennsylvania joined, didn't they?—A. They did.

Q. And they sent a delegation to Harrisburg to get the charter repealed, didn't they?—A. I think they did.

Q. You made a speech at Titusville on the subject, didn't you?—A. If a speech you may call it.

Q. Nobody informed you during those times that your companies were expected to come in, did they?—A. They had already. I came down to New York and had an interview here with Mr. Watson, who was the active head and promoter of the affair, and he expressed surprise that I seemed concerned about the matter and said it was intended that we should be included.

Q. And Mr. Watson at that time was an official of the New York Central road, was he?—A. I do not recall that he had any official relation with the New York Central road.

13139 Q. Well, he was connected with them in some way?—A. He was supposed to be sort of a business associate with the elder Vanderbilt—Commodore Vanderbilt.

Q. And this agreement included all the railroads, didn't it?—A. All the oil-carrying railroads.

Q. All the oil-carrying railroads?—A. I believe it did: yes.

Q. Shortly after this agreement was made, and some little time afterwards, you came in with the Standard Oil interests, did you?—A. Well, our properties were bought by——

Mr. ROSENTHAL. The question is, whether shortly after the South Improvement Company you came in. I don't know what Mr. Kellogg means by "shortly after."

Q. Well, a year or two afterwards, or three.

A. It was 1875 before I had any relation with the Acme Oil Company in connection with the Standard Oil interests—the latter part of 1875.

Q. You are familiar with the settlement made with the Pennsylvania Railroad Company at the time you acquired the Empire Transportation Company's pipe lines and refineries, are you?

Mr. ROSENTHAL. Same objection to that line of inquiry.

Mr. KELLOGG. Yes. The same stipulation.

A. I had very general knowledge of it. I was through those years more particularly related with the business of the Acme Oil Company and with its actual promotion, and did not have especially to do with that transaction.

Q. Now, you have examined that contract, Exhibit 7, whereby it was agreed between the Pennsylvania Railroad Company and the Standard Oil Company that the Standard Oil Company was

13140 to have 10 per cent of the rate for carrying oil to the seaboard, have you?—A. I remember generally of such a contract, whatever its terms were.

Q. That contract provided that the Standard Oil Company was to have 10 per cent on all their shipments of oil over the Pennsylvania Railroad, "provided that no other shipper of oil by your line shall pay less than the rate fixed for us before such commission is deducted, and no commission shall be allowed any other shipper unless he shall guarantee and furnish you such quantity of oil for shipment as will, after deduction of commission allowed him, realize to you the same amount of profit you realized from our trade," did it not?

Mr. ROSENTHAL. I object to that upon the ground that the contract of October 17, 1877, is the best evidence of its own terms.

Q. Please answer the question.—A. Well, I could not from memory state the terms of the contract. The contract itself as recorded is no doubt correctly stated.

Q. You remember in a general way, don't you?—A. I remember that there was such a contract; yes.

Q. That you were to have 10 per cent?—A. Whatever the contract provided.

Q. Well, the contract provides for 10 per cent. Is that your recollection?

Mr. ROSENTHAL. Under certain conditions.

A. It goes on and recites the conditions, does it not?

Q. Do you know of any other shipper who furnished or could furnish as much as the Standard Oil to the Pennsylvania Rail-
13141 road?—A. I could not answer that question without investigation. There were other large shippers at that time. And I want to say with reference to this contract that the compensation, as I recall it, of 10 per cent which was operative for a period—and I don't think a very long period—was not considered at all an unreasonable compensation for the evening process involved in that contract at that time.

Q. That was a pool contract for——A. I would like to complete my answer.

Q. Go ahead; yes.—A. Such evening arrangements with large shippers of all kinds of large traffic prevailed universally on the part of the railroads in those days. There was nothing to be criticized in them. They were not subject to criticism. They were well understood. There was no secrecy about it. It was all as open and aboveboard as any feature of business of those days of thirty years ago.

Q. Isn't it a fact that that contract was secret at that time?—A. I have no recollection of there ever being any secrecy about it. My own general impression (and I make this as a statement from recollection) is that the contract was operative only for a comparatively short period.

Q. It was operative until the Pennsylvania Railroad was sued by the State of Pennsylvania to oust them for paying rebates, wasn't it?—A. I do not remember. I——

Q. And you entered into a contract——

Mr. ROSENTHAL. Wait a moment; let him finish.

A. I do not remember as to the time of its operation. My judgment is—and I state this as a matter of general memory—
13142 that there was no such question involved in connection with this contract.

Q. Isn't it a fact that suit was shortly after that brought against the Pennsylvania Railroad to oust it from the State of Pennsylvania for conspiring with the Standard Oil Company to pay it rebates?—A. I do not know that it was the Standard Oil Company and I do not remember the dates.

Q. Didn't you personally enter into contracts with the Pennsylvania Railroad Company settling those suits?—A. I do not recall.

Q. And asking that they be dismissed?—A. I do not remember the record in that respect or that it had any relation whatever to this contract.

Q. You did not consider it any great outrage that this 10 per cent was paid to the Standard alone?—A. I did not.

Q. You thought that the Standard's service to the railroads in pooling all the freight to the seacoast was worth 10 per cent?—A. I didn't until——

Mr. ROSENTHAL. Wait a moment. That is not what he said. He said in evening all the freight, not in pooling it.

Q. Well, in evening all of it, it was worth 10 per cent?—A. I doubt whether under such an arrangement at that time there was any real profit to the Standard in that contract.

Q. You knew Mr. Daniel O'Day?—A. I did.

Q. He was the manager of the American Transfer Company?—A. He was.

Q. In 1887, was he?—A. He was; yes, sir.

Q. And that was a Standard Oil company?

Mr. ROSENTHAL. What?

13143 Mr. KELLOGG. The American Transfer Company, in 1877.

A. I think it was owned all by the Standard interests.

Q. And Mr. O'Day made a contract, didn't he, with the Pennsylvania Railroad for 20 cents a barrel?

Mr. ROSENTHAL. Make the same objection.

Mr. KELLOGG. The same objection will apply to all this.

Mr. ROSENTHAL. And the same stipulation. Are you referring now to Exhibit 8?

Mr. KELLOGG. Exhibit 8.

Q. Mr. O'Day made a contract, did he not, with the Pennsylvania Railroad for 20 cents a barrel not only on all crude shipments made by the American Transfer, but by everybody else?

Mr. ROSENTHAL. Well, the contract itself I submit is the best evidence, and I object to the question upon that ground.

Q. Isn't that true?—A. Whatever the contract states to have been its terms is the best evidence in that respect. I remember that there was such a contract.

Q. Yes. And didn't it provide for such payment, and wasn't such payment made, not only on the oil shipped by the American Transfer Company, but all other shippers?—A. I do not know. Whatever the terms of the contract provided in that respect——

Q. Were carried out?—A. Were no doubt carried out. But I want to say that the contract in itself was a very reasonable contract to the Pennsylvania road. The American Transfer Company, at a large expense, provided gathering lines throughout the oil sections to

bring the oil to the Pennsylvania road, and that and other

13144 considerations entering into the matter at that time and the volume of business furnished them made this an exceedingly reasonable compensation to pay the American Transfer Company for the bringing as a feeder, as a collateral, to the Pennsylvania system.

Q. And it appears that the American Transfer Company, in addition to receiving this 20 cents, charged 20 cents gathering charge, besides.

Mr. ROSENTHAL. Where does that appear?

Mr. KELLOGG. In Mr. Daniel O'Day's testimony.

Q. Isn't that correct?—A. I do not recall.

Q. Always charged 20 cents gathering charge, didn't it?—A. There was a long period (and I imagine it extended all through those years) when, if there was a charge of 20 cents, it was purely nominal, for they bought the oil in the field and they had competition there for it, and in carrying it to the railroad, I imagine, that not only that nominal charge, if there was such, but a part of the compensation itself was often sacrificed.

Q. Why should the Pennsylvania Railroad pay the American Transfer Company 20 cents per barrel on the oil shipped by other people?—A. Well, they brought the oil to them.

Q. No, sir.—A. They brought the oil to them.

Mr. ROSENTHAL. Yes, sir.

Q. They got the 20 cents not only on oil brought to them by the American Transfer Company, but all oil shipped by the Pennsylvania Railroad?—A. Well, I think they brought the oil to them.

13145 Q. No such testimony. Do you know they did?—A. Well, I couldn't say positively, but I am strongly of the opinion that they did. I do not know how else they would get it.

Q. Weren't there any other pipe lines besides the American Transfer?—A. Well, there were some, but whether they reached these points or not that were stipulated in this contract I don't know.

Q. The same arrangements were made, he says, with all the other railroads, in this letter. Is that true?—A. I do not recall the contracts with the other railroads.

Q. You do not recall them. You did sign a contract, did you? Will you refer to page 236, 241?—A. 236?

Q. Yes. Your name seems to be signed to that agreement.

Mr. ROSENTHAL. The very last name, Mr. Archbold. Your name is attached.

Q. The Acme Oil Company signed it by John D. Archbold, and John D. Archbold personally.

Mr. ROSENTHAL. On page 239, Mr. Archbold.

A. I see.

Q. Prior to the making of that contract, which was the 29th day of January, 1880, had any suits been brought in Pennsylvania to oust the United Pipe Lines from the State, and the Pennsylvania Railroad from the State, on the ground of conspiracy to pay rebates to the Standard Oil Company?—A. I do not remember distinctly about such an action. It may have been.

Q. Did you not in that contract agree (page 237, at the top)—The parties of the first part to that contract were all those com-

13146 panies who at that time entered into arrangements with the Standard Oil, which you have been testifying about, weren't they?—A. Whether they are all or not I——

Mr. ROSENTHAL. Wait a minute. Let me have that question. Read it, please.

(The question was read by the reporter.)

Mr. ROSENTHAL. Have you reference now to paragraph 1 of the contract?

Mr. KELLOGG. Yes, paragraph 1.

Mr. ROSENTHAL. Undoubtedly they agreed, among other things, to paragraph 1 of that contract, as clearly appears.

Mr. KELLOGG. What I want to know is were they the companies which were the Standard Oil interests about which you have been testifying for the last few days?

Mr. ROSENTHAL. Some of them were. They appear to be. They are named in the recital of the parties, aren't they, on page 236?

Mr. KELLOGG. Yes. Standard Oil Company of Ohio, the Standard Oil Company of Pittsburg, the Imperial Refining Company, the Acme Oil Company, the Atlantic Refining Company, the American Transfer Company, the United Pipe Lines, the Devoe Manufacturing Company, the Eclipse Lubricating Oil Company.

Mr. ROSENTHAL. Those all appear from the evidence already in to have belonged at that time to Standard Oil interests. No doubt about that.

Q. Was it not agreed "that the said parties of the first part shall and will make no opposition to an entire abrogation of the system of rebates, drawbacks, and secret rates of freight in the transportation of petroleum on the railroads?"

13147 Mr. ROSENTHAL. That is paragraph 1?

Mr. KELLOGG. Yes. Paragraph 2: "That said parties of the first part further agree that the railroad companies may make known to the other shippers of petroleum on their several roads all the rates of freight, and that said parties of the first part, or any of them, will not receive any rebate or drawback that the railroad companies are not at liberty to give to other shippers of petroleum." Do you remember that?

A. Well, I only remember it by reading it here.

Q. You have no recollection of it?—A. I have no special recollection of it; no.

Q. What did you mean by providing in the agreement that the railroads might make known the rates to the other shippers?

Mr. ROSENTHAL. Now, where is that? That is very simple language, isn't it?

WITNESS. I think it is as simply stated here as it is possible to state it.

Q. You mean they hadn't known of the rates that you had been getting?—A. I don't say so.

Q. Well, what did you mean?—A. It means just exactly what it says. We didn't know but that others may have been getting lower rates at that time. We had no objection to their not making it known.

Q. Do you mean that it took a contract here, that in consideration of this contract that you should know what other shippers were getting, you got these suits dismissed?

Mr. ROSENTHAL. Let us have that question read. I don't get the force of that.

(Question read by the reporter.)

13148 Q. In other words, did you enter into a contract to find out what other people were getting?—A. I imagine that any publicity that was provided by these clauses was to be open to all.

Q. Why, certainly.—A. Yes.

Q. But it was the rates that you were getting that was to be made public, wasn't it?—A. No.

Q. It wasn't?—A. We simply agreed that there should be no objection to the publicity of the rates.

Q. That the parties of the first part agree that the railroad companies may make known to the other shippers of petroleum on their several roads all the rates of freight.—A. Well——

Q. Why was it necessary that you should agree to that?—A. I suppose somebody asked it, I don't know.

Q. Of course they did. The other shippers wanted to know, didn't they?—A. I suppose some other party to the contract, or some of the howlers, said "Well, let us get that in." I don't know anything else.

Q. They wanted to know the rates that you were getting?—A. I don't think it amounted to a hill of beans to anybody. I think it was all folderol of the worst possible kind.

Q. You had been getting big rebates, hadn't you?—A. We had been making the very best terms that we could for our shipments, whether by rebate or by special tariffs. In my own case, by special tariffs as a rule.

Mr. ROSENTHAL. What do you mean by your own case?

WITNESS. In the case of the Acme Oil Company.

13149 Mr. ROSENTHAL. Do you mean——

WITNESS. I mean for all that period.

Q. You were getting big rebates at that time for the Acme Company, weren't you?—A. The question of contracting for freight in those days was one of bargain, always. There was no such thing, as a matter of fact, as established tariffs. Every man who had any considerable freight to ship knew that he must go, and he did go, and shop between the different roads for the best rate that he could get, and there was no concealment or secret with reference to that matter. All shippers knew it. It was known to the general public, and it was not peculiar to the oil business. The oil business was in no different relation to that matter than other classes of traffic.

Q. Well, if there was no secrecy about it, why was it necessary that there be a contract to make it public?—A. Well, I don't know what other conditions there were with reference to this contract matter.

Mr. ROSENTHAL. Mr. Archbold said there was no secret about the fact of that being the method of obtaining rates.

Mr. KELLOGG. But the secrecy was in the amount of the rebate, wasn't it?

Mr. ROSENTHAL. The secrecy, as he has explained, was due to the fact that nobody knew what his next-door neighbor was getting.

WITNESS. I suppose that these interests here being among the large shippers, that some small shipper who was cognizant of or party to that contract said, "Let us get that clause in." I don't know
13150 anything else. I don't know the reason for it, though.

Q. The abrogation or rebates paid to your company was the consideration for that contract, wasn't it?—A. The contract states for itself what its terms were. I could not answer without careful investigation of it.

Q. Pursuant to that contract, did not the Pennsylvania Railroad enter into this agreement: (on page 241) "That the Pennsylvania Railroad Company shall not and will not pay or allow any shipper of petroleum or its products any rebate, drawback, or commission upon the shipments of such petroleum or products different from or greater than that which shall be paid to any other person shipping or offering to ship like quantity."—A. I have no knowledge of the contract on the part of the Pennsylvania Railroad.

Mr. ROSENTHAL. That is the second paragraph of what appears to be, I should say, a supplemental contract, isn't it?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. On page 241?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. I do not know whether Mr. Archbold knows anything about that supplemental contract or not.

WITNESS. I do not.

Q. You do not?—A. No.

Q. You actually were getting, at the time those contracts went into effect, for the Acme Oil Company a rebate over the rate of 63 cents out of $1.29½, were you not?—A. I do not know at any special period what the freight relation was.

13151 Q. During the year 1878 did you not get from the Pennsylvania Railroad, before that contract was entered into, for the Acme Oil Company, a rebate of 63 cents out of $1.29?—A. I do not remember as to the date or what the contract for shipments at that period was. I got during the year 1877 from the Pennsylvania Railroad Company, if I shipped by them during that year, the very best terms possible for the shipment of my freight.

Q. And were they not about half what the published rate was?—A. I do not think there was any published rate.

Q. There was a known rate, wasn't there?—A. If there was any such thing as a nominal rate everybody knew that it was purely nominal. There was no shipper of petroleum in those days who was so far behind in knowledge of the current business as to not understand that he must bargain for his freight.

Q. Did you testify to the fact, in 1879, that during the year 1878 you got a rebate of 63 cents out of $1.29½?

Mr. ROSENTHAL. I object to the form of the question. If the witness is asked as to whether he testified to a certain thing, I think the question and the answer at least ought to be read to him.

Q. Please answer that question.—A. What is the question?

Mr. KELLOGG. Read it.

(The question was read by the reporter.)

A. I have no recollection of so testifying.

Q. Well, let me refresh your memory. On the 20th of
13152 February, 1879, in the case of the Commonwealth of Pennsylvania *vs.* The Pennsylvania Railroad Company, did you testify to this: "What was the open rate of freight at that time? A. Well, the open rate of freight was as I have stated there. Q. Give us the figures, please. A. $1.29½. Q. Well, your arrangement with William G. Warden was what, in respect to freight—what were you to pay? A. We were to pay the rate as shown on that statement. Q. What is that? A. 66½ cents. Q. And was that all you did pay? A. That is all we did pay. Q. Now you speak of the open rate being $1.29½? A. Yes, sir. Q. Wasn't it $1.75? A. $1.75, from which was rebated the cost of getting the oil to the refineries, amounting to 45½ cents, which was published to the world. Q. The open rate being as you have explained it, $1.29½, you paid 66½ cents? A. Yes, sir. Q. Who got the allowance, Mr. Archbold, of 63 cents? A. The Acme Oil Company. Q. Who participated with the Acme Oil Company in that 63 cents a barrel? A. The stockholders. Q. Was there any division of it except among the stockholders of that company? A. None whatever. Q. State, sir, who of the stockholders of the Acme Oil Company are stockholders in the Standard Oil Company, whether they all are. A. No, sir; they are not all, and I could not state positively who are." Did you testify to that?—A. I have no——

Mr. ROSENTHAL. The question is, did you testify to it?

WITNESS. I have no distinct recollection of it. When was it?

Q. 1879.—A. Thirty years ago.

Q. In the case of the Commonwealth of Pennsylvania vs.
13153 The Pennsylvania Railroad Company?—A. I have no distinct recollection of it.

Q. Isn't that the very suit that was settled by the contract you entered into in 1880?—A. I could not answer as to that. I do not know what relation that, any more than the other, had to it.

Q. And isn't that the contract in which you agreed to abrogate these rebates and that the railroads might make known to the other shippers the rates?—A. There was no agreement of the kind, as I understand it. It was a question of the railroad.

Q. Then, there was an open rate of freight, was there?—A. Possibly a nominal rate.

Q. Yes.—A. But, as I say, it was always understood as a nominal rate, and if I did so testify—and I do not recall it—I no doubt tried to get even more at that time, and everybody else did at the same time.

Q. And did some times?—A. And I should be very happy to know that during that period I did as well as others.

Q. Well, I guess you did.—A. Well, I hope so. It wasn't because I didn't try, I can tell you.

(A short recess was here taken.)

13154 Q. Mr. Archbold, you don't know that that 22 or 22½ cents which was paid the American Transfer Company was only paid on oil reaching the Pennsylvania road through the Transfer Pipe Lines, do you?—A. Well, I assume so. I could not possibly tell you that.

Q. And, now, Mr. Cassatt, the vice-president of the Pennsylvania road at that time, would be pretty apt to know, wouldn't he?—A. I do not know whether he would or not, I am sure.

Q. Mr. Cassatt testified in that same case in which you testified, didn't he, Commonwealth against Pennsylvania Railroad?—A. I don't know, I am sure.

Q. Did he not there testify——

Mr. ROSENTHAL. Wouldn't it be well to first ask Mr. Archbold if he heard him testify at all.

Q. Did he not there testify: "Q. Did you pay this rebate of 22½ cents upon all oil carried by your road? A. Upon all crude oil carried by our road. Q. Irrespective of the points from which it is shipped in the oil country? A. Yes, sir; irrespective of that." "Q. I understand you, Mr. Cassatt, that this 22½ cents paid to the American Transfer Company is not restricted to oil that passed through their lines? A. No, sir; it is paid on all oil received and transported by us, as I have before stated."

Mr. ROSENTHAL. I object to the question, upon the ground that it is a manifest attempt of counsel to improperly get something into the record that has not any place here and that he can not otherwise get in.

13155 Q. Now, do you say, in the light of that, that this was only paid on oil that came over the American Transfer line?

Mr. ROSENTHAL. Just one minute. Was the first question withdrawn?

Mr. KELLOGG. No, sir.

Mr. ROSENTHAL. Then what is the question asked Mr. Archbold?

Mr. KELLOGG. Please read the last question.

(The reporter read the question, as follows: "Q. Did he not there testify: 'Q. Did you pay this rebate of 22½ cents upon all oil carried by your road? A. Upon all crude oil carried by our road. Q. Irrespective of the points from which it is shipped in the oil country? A. Yes, sir; irrespective of that. Q. I understand you, Mr. Cassatt, that this 22½ cents paid to the American Transfer Company is not restricted to oil that passed through their lines? A. No, sir; it is paid on all oil received and transported by us, as I have before stated.'")

Q. Did he so testify?—A. I have no recollection of his testifying at all.

Q. The United Pipe Lines and the American Transfer Lines were your important lines, weren't they?—A. They were—gathering lines, yes.

Q. You would be pretty apt to know it, wouldn't you, if a suit was brought to oust them out of the State of Pennsylvania?—A. Well, it would be a very vague memory if I recalled it at all.

Q. Haven't you investigated this subject lately?—A. I have not specially investigated it.

13156 Q. That contract is attached to the bill of complaint in this case?—A. Yes. I probably have heard it referred to, but I have attached no very special importance to it.

Q. You haven't looked into the question as to what occurred in that suit and what you testified to?—A. No, I have not.

Q. You don't know that Mr. Cassatt testified to that fact?—A. I have no recollection of his testifying at all.

Q. If he did testify to that fact, wouldn't that change your mind as to where this oil came from?—A. It might, and it might not. How much Mr. Cassatt knew about the details of the matter is a matter of speculation in my mind.

Q. Well, he wouldn't be paying 22½ cents a barrel, would he, on all the oil coming over the Pennsylvania road, without knowing something about it?

Mr. ROSENTHAL. I object to that. It does not yet appear that he ever did anything of that kind.

Q. You have no recollection whatever of those suits?—A. It would be very vague indeed. My recollection of them is very vague.

Q. But you do have a vague recollection of them?—A. Oh, now that we talk about it, I do. I don't think I ever attached any very special importance to them. It was sort of a custom in those days to bring a suit.

Q. What's that?—A. It was sort of a custom out in the Pennsylvania section to bring suits in those days. It was kind of a habit.

Q. Yes, I have no doubt. I wish to call your attention

13157 to more of Mr. Cassatt's testimony. Do you know whether Mr. Cassatt, in said case, on March 21, 1879, testified to the following: "Q. Mr. Cassatt, in your testimony yesterday you stated, if I understood you correctly, that at the conference between the railroad managers that took place in July, 1878, at Saratoga, when the rates were cut down to 80 cents per barrel, that these rates were allowed to the Standard and its shippers, and not to the outside shippers—am I right? A. You are referring now to the rate of refined oil? Q. Yes, sir. A. I am not aware that there were any outside shippers of refined oil, so called. I do not know of any refiners in the region or in the West that were shipping refined oil by our road. Q. Excepting those who belonged to the Standard? A. Yes, sir; the reduction on crude oil rate, however, was made to apply only to the Standard Oil Company and to Malcolm Lloyd of Philadelphia. Q. Then I did apprehend you correctly. What was that reduction of the crude oil rate to the Standard? A. It was an additional rebate of 15 cents per barrel. Q. The open rate at that time to all shippers was how much? A. $1.15 and $1.40, respectively. Q. And the rate to the Standard was then how much? A. It was 14 cents off the $1.40 rate and 15 more, making 29, and 11½ and 15, making 26½ for the $1.15 rate. Q. And then the refined rate was 80 cents? A. 80 cents net to the Standard. Q. And to all

others, $1.90. A. $1.90 less 44½." Now, Mr. Archbold, is that correct? Were these the rates that your companies were getting at that time?—A. Oh, I have no recollection of the matter whatever.

Q. You have no recollection of Mr. Cassatt so testifying?—
13158 A. I have no recollection of his testifying at all.

Q. You never have looked it up since to see?—A. Never have looked it up.

Q. You don't recall that you got 63 cents during this same time?—A. No; I don't recall the specific fact, I said, if I did.

Q. You recall that you testified to it, don't you?—A. If I so testified, it was no doubt correct.

Q. Well, did you so testify?

Mr. ROSENTHAL. I object to that. The question was asked him in those exact words, and he has already answered that he does not remember what he testified to in 1879.

Q. Haven't you looked it up to find out?—A. I have not. I have not been over it at all. I say again, that if I did so testify, it no doubt was just as the fact was at the time, and there is no possible criticism to be made of the fact that I got the best rate that I could. And I want to say that whatever any railroad man said about any rate, to any shipper, probably on his way home he gave some lower rate to some other shipper before he got there.

Q. Well, we will see about that. Did you testify to that fact, or didn't you, Mr. Archbold?

Mr. ROSENTHAL. I object to that, on the ground that it has been asked and that the witness has already answered that he does not remember whether he did or not.

Q. Haven't you looked up your testimony in former years, in preparation for this?—A. I have not.

Mr. ROSENTHAL. I object to that. You just asked Mr. Archbold whether he read this particular testimony, and he
13159 said he had not.

Q. Have you looked up the testimony that you gave in former years, in preparing for this case?—A. I have not been over this testimony that you are now reading.

Q. I am not talking about Mr. Cassatt's testimony. I am talking about your own testimony.—A. No; I have not been over my own testimony in that case.

Q. You have been over none of the testimony I quoted to you from your own testimony?—A. I do not recall that I have ever heard it spoken of in any review.

Q. Nor looked into it. And you came onto the stand without knowing anything about what you testified in those years?—A. Not in that case.

Mr. ROSENTHAL. That was not the question. The question was whether he had been over it.

Q. Did you look up, before you came onto the stand in this case, to see what you had testified to about rebates in those early days?

Mr. ROSENTHAL. When?

WITNESS. In this case?

Mr. KELLOGG. Yes, sir.

Mr. ROSENTHAL. Did he look up what testimony? When?

Mr. KELLOGG. Please read the question.

(The reporter then read the question, as follows: "Did you look up, before you came onto the stand in this case, to see what you had testified to about rebates in those early days?")

Mr. ROSENTHAL. I object to the question, upon the ground that it is so indefinite that no human being can understand
13160 what it has reference to.

Q. Please answer the question.—A. If you will specify the case. I can not testify generally regarding the matter.

Q. All right, sir. I will specify the case and see if you can tell me then. Did you look up your testimony given in the case of Commonwealth *vs.* Pennsylvania Railroad, which I read to you a few moments ago, where your company received a rebate of 63 cents out of $1.29½?—A. I do not recall having been over it at all.

Q. You didn't go over that at all in preparation of this case?—A. No, sir.

Q. Although it is in this record?—A. I did not.

Q. Did you look up any of your testimony given before any of these committees in the early days?—A. If you will specify the committee I will answer.

Q. Well, the Committee on Manufactures?—A. I may have possibly glanced over the testimony before the Committee of Manufactures; not in any careful or specific way.

Q. The Industrial Commission?—A. Very little of it. It was pretty long.

Q. Why did you skip the testimony taken in the Pennsylvania Railroad case?—A. I never even heard it referred to.

Q. Never heard it referred to? That is the most specific testimony about rebates, where you stated the exact amount you got.

Mr. ROSENTHAL. You don't want anything more specific than his testimony this afternoon, do you, on rebates?

13161 Mr. KELLOGG. Well, I should presume that it would be tolerably good.

WITNESS. I will repeat the general answer as to rebates, if you want me to.

Q. Let me read you a little more of Mr. Cassatt's testimony. "Q. Mr. Cassatt, you have stated that one reason why in the consultation in Saratoga in July, 1878, you were driven to putting down the rates was that a new route had been arranged by outside refiners by way of Buffalo and the canal; what was it that drove those outside refiners to the constructing and arranging of that route; was it not the fact that they could not get the same rates over the trunk lines that were offered by them to the Standard Oil Company? A. I believe that it was; we stated frankly—I did to the outside refiners, and also did Mr. Scott, the president of our company, that unless they would guarantee us the same quantity of oil—guarantee to ship over our line the same quantity of oil that the Standard Oil Company

had guaranteed to ship, we could not make them the same rates; we would make lower net rates to the Standard than they got." Did Mr. Cassatt testify to that fact?

Mr. ROSENTHAL. I wish to repeat the same objection that I made when counsel tried a few moments ago to improperly read into this record certain alleged testimony of Mr. Cassatt. It is an illegitimate and an improper method of proving what counsel knows he has not any right to prove in this way.

Mr. KELLOGG. I quite disagree with you, Br. Rosenthal. We have a perfect right to prove it in this way and to read to him these questions. [To the witness.] Please answer, will you?

13162 Mr. ROSENTHAL. The witness has already repeatedly answered that he has not any recollection, if you will remember, of Mr. Cassatt even having testified. And if you can undertake to say how he can possibly remember, therefore, whether a specific question was asked or an answer made you can do what no other human being can do.

Q. Please answer the question.—A. What is the question?

Q. Do you remember Mr. Cassatt so testifying?—A. I do not remember anything about his testifying.

Q. Is it true that the Pennsylvania Railroad Company made to the Standard lower rates than they gave anyone else at that time?—A. I do not know.

Q. Let me refer you to another part of Mr. Cassatt's testimony: "Q. Mr. Cassatt, you have spoken of the policy that has controlled the action of the Pennsylvania Railroad Company with respect to complying with the demands of the Transfer Company and the Standard Oil Company, and the effect of a contest with those companies on the part of the carrying company, and you have likewise, in reply to Mr. MacVeagh, stated some views with respect to the effect upon the oil traffic; if hostilities should be renewed between your company and those companies touching that matter, I ask you whether if the Pennsylvania producers were to construct refineries on the lands of the Pennsylvania Railroad Company and bind themselves to ship all their product upon the lines of your road, would you give them as low rates as you give the Standard? A. If they would guarantee us the same quantity—undoubtedly. Q. Not otherwise? A. Not otherwise, under that contract that we have now with the Standard Oil Company, unless we change our policy and give
13163 notice of the abrogation of that contract." Do you remember that?—A. I have no recollection of the matter whatever.

Q. Is it a fact that you had a contract whereby you were to have a lower rate than other shippers unless they furnished an equal quantity?—A. I suppose he refers now to the evening contract?

Q. Possibly.—A. I don't know. Whatever it was. If they had a contract, I suppose he was talking about living up to it. I don't know what else.

Q. Did you have such a contract?—A. If that is the contract that we have already referred to here—the 10 per cent evening contract?

Q. Yes.—A. There was a contract, as we have already discussed it.

Q. And you understood that outside shippers were not to get that unless they could furnish the same quantity.—A. Whatever the terms of the contract were. It was considered a very reasonable arrangement, indeed.

Q. That is, you considered it very reasonable?—A. And so did the road. And so did everybody.

Q. I have no doubt the road did. But how did the outside shippers consider it?—A. I should think they would have considered it so, if there had been any.

Q. Now, railroad rates in those days, before pipe lines were constructed to the seaboard, were of very great importance to the seaboard refineries, weren't they?—A. The what?

Q. Railroad rates in those early days, before the construction of trunk pipe line, were of very great importance in the oil industry?—A. Railroad rates?

13164 Q. Yes.—A. Why, of course the question——

Q. That is, the railroad freight was a very considerable part of the expense?—A. It was a part of the expense, yes.

Q. A very considerable part, wasn't it?—A. At times a very considerable.

Q. If you paid the full open rate it was a very big rate, wasn't it?—A. Oh, whatever it was, it was considerable.

Q. And it was very important to get in the industry as low a rate as possible?—A. As a manufacturer it was so. It was certainly desirable.

Q. And the big shippers usually got the lower rate, didn't they?—A. I do not know at all as to that.

Q. You don't know?—A. I couldn't testify.

Q. You presented a table here showing the progress of establishment of marketing stations throughout the country, as I recollect?—A. I did.

Q. My recollection is that nearly all of those stations were established since 1890?

Mr. ROSENTHAL. That is correct.

Mr. KELLOGG. I think that is correct. We will have the exhibit in a moment.

Q. That is your recollection, isn't it?—A. That is my recollection, if the table so shows.

Q. Those were made up from your books, were they?—A. They were made up by the records of the books, no doubt.

Q. You have records of the marketing stations from the earliest date you established that system of marketing, have you?—A. I suppose there are such records.

13165 Q. Have you records also of the prices and cost of marketing throughout the various marketing stations of the United States?—A. I don't know to what extent the records would show throughout the United States at the various local points, I am sure.

Q. Do you have records during that same time of the prices received for oil throughout the United States?—A. I do not know, as I say, what the records of the local stations throughout the country would show—whether they are preserved or not.

Q. Generally speaking, your company sells to what is known as the retailer, doesn't it?—A. Yes, I suppose they do.

Q. That is, I don't mean in every case, but generally speaking, your tank wagons sell to the retail dealers throughout the country?—A. I suppose they do.

Q. I do not mean by that that there are no exceptions where you peddle oil directly to the consumer.

Mr. ROSENTHAL. Oh, that is the general rule of course.

WITNESS. Yes.

Q. So that the price which you generally make throughout the country or sell at is the price to the retailer, isn't it?—A. I presume it is.

Q. Prior to 1890 the principal part of the refined oil and naphtha products of your refineries which were sold in this country were sold through jobbing houses and wholesale houses throughout the country, were they?—A. I imagine a considerable portion of them. There were many stations, of course, even back of that.

13166 Q. I mean the larger portion.—A. I don't know what the proportions were.

Q. In the early days that was the way all the oil was sold—through jobbing houses or large retailers?—A. In the early day that custom prevailed; yes.

Q. And the jobbers, you say, retailed it to the grocerymen and the retailers?—A. I suppose they did.

Q. Or sold it, rather, to the grocers and retailers?—A. Sold it.

Q. Now, it would appear by this exhibit that the total number of marketing stations in existence at present is 3,242, and the total number which have been acquired since 1890 is 2,552; so that practically about 700 were in existence before and about 2,552 have been established since. That is as you recollect, is it?—A. If that is as the statement shows.

Q. I am not particular about the exact number; but, generally speaking, the marketing business in your present mode of marketing, through your local and substations, has been principally established since 1890?—A. Largely so, I judge.

Q. Now, do you keep a record showing the price at which oil has been sold in the various towns of the country to retailers since 1890?—A. I do not know how long the records of those stations are kept, I am sure. I am not familiar with that.

Q. Do you keep the average prices at which the refineries sell to your marketing companies?—A. They are kept currently, of course. How long they are kept I don't know.

13167 Q. And do you keep the profits of your marketing companies on their different branches?—A. That I don't know, I am sure.

Q. You say that you established these marketing stations partly to eliminate the profit of the wholesaler, which in many cases, or in some cases, was exorbitant. Is that correct?—A. That was the motive, and to increase the sale of oil by improving the efficiency of the distribution and making sure of the distribution of the best quality possible to the consumer.

Q. Isn't it a fact that the price to the retailer throughout the country is higher to-day than it was in 1890, 1892, and 1893—from 18 to 20 years ago?—A. I don't know what the prices are or what the comparison would be as between the two periods.

Q. You know in a general way, don't you——A. Oh, I have not got the figures in mind.

Q. ——that oil to the retailers throughout the States of the United States is higher to-day, on an average, than it was in 1890, 1891, 1892, and 1893?—A. Oh, I should say the business was more closely done to-day, as a whole, than in those earlier periods. I have not the figures in mind. I could not possibly answer as to the exact figures. And then all sorts of considerations would have to be taken into account in making the matter——

Q. I am asking you for the fact—if it is not a fact that the price to the retailer is higher to-day than it was in 1890?—A. Oh, taking into consideration all that enters into it, I should say not.

13168 Q. But, as a matter of fact, they are paying more for illuminating oil and gasolene to-day than they were paying in 1890, aren't they?—A. Well, I don't know what the conditions, relatively, are.

Q. I am not speaking about the conditions at all—A. I don't know what the prices were in 1890.

Q. You don't know?—A. No; and I could not answer as to what they are to-day throughout the country.

Q. Then, you don't know that the establishment of the marketing stations has reduced the prices to the retail dealer, do you?

Mr. ROSENTHAL. He has never taken any such position.

Mr. KELLOGG. I misunderstood Mr. Archbold if he did not.

Q. Please answer the question.—A. What is the question?

(The reporter read the question, as follows: "Then, you don't know that the establishment of the marketing stations has reduced the prices to the retail dealer, do you?")

A. My belief is that the establishment of the marketing stations has greatly economized the cost of the distribution, and resulted enormously to the benefit of the consumers.

Q. Can you give any places in the United States where oil is selling cheaper to-day to the retail dealer to whom you sell your principal production——A. I don't know what the comparison of conditions is.

Q. Wait a moment. —than it was selling in 1890, 1891, 1892, and 1893?—A. I don't know what the comparison of conditions is as between any two stated dates, but I say that as a whole the creation of the marketing stations has greatly increased the efficiency of the distribution and lessened the cost to the consumer.

13169 Q. Do you know that the consumer is paying less to-day than he was in 1890, 1891, and 1892?—A. I am not testifying as to the prices at any period. I am testifying as to the motive and efficiency of the distributing stations.

Q. I am not questioning the efficiency of the distribution service. Other companies are distributing in the same way, are they?—A. Oh, I misunderstood, then; I thought that was the question.

Q. Not at all. Other companies are also distributing in the same manner, aren't they—A. To an extent.

Q. Of course, they can not distribute as much, because they haven't it to distribute.—A. No.

Q. Have you looked up any of the matters that I asked you to look up the record on, except the one you testified to this morning?—A. I think they are all under consideration. I, personally, did not make memorandums of them. If they have been furnished to counsel, they are under process of investigation.

Mr. KELLOGG. Mr. Rosenthal, do you know whether any of those matters have been looked up yet? [Placing paper before Mr. Rosenthal.]

Mr. ROSENTHAL. We have not got to them yet. Have you got them all listed there?

Mr. KELLOGG. I have got them all listed; yes.

Mr. ROSENTHAL. Let us take the list. Have you a copy?

Mr. KELLOGG. I will have a copy made for you. One was the directors of the Anglo-American Oil Company.

Mr. ROSENTHAL. Yes.

Mr. KELLOGG. Have you got that?

13170 Mr. ROSENTHAL. No; we have not had time to look the matter up.

Mr. KELLOGG. With the exception of the examination I shall desire to make of Mr. Archbold when he produces these documents and the information which I have asked for, a list of which I will furnish counsel to-night, my cross-examination is finished.

The EXAMINER. Do you desire to ask him any questions, Mr. Rosenthal?

Mr. ROSENTHAL. Not now.

The EXAMINER. Then we will adjourn until next Monday morning.

(An adjournment was accordingly taken until the morning of Monday, December 7, 1908, at 10.30 o'clock.)

13171 ROOM 508, CUSTOM-HOUSE, NEW YORK CITY,
Monday, December 7, 1908—10.30 a. m.

The hearing was resumed before the Special Examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr. Charles B. Morrison. On behalf of the defendants, Mr. John G. Milburn, Mr. Moritz Rosenthal, Mr. John S. Miller, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. W. Cleveland Runyon.

Mr. JOHN D. ARCHBOLD recalled.

Redirect examination by Mr. ROSENTHAL:

Q. Mr. Archbold, were you subpoenaed to appear as a witness in this case?—A. I was.

Q. I show you what purports to be a copy of the subpoena. Is that the writ that was served upon you? [Handing paper to the witness.]—A. It was.

Q. Was it because of the service of this subpoena that you appeared here and testified?—A. It was.

(Said subpoena was marked "Defendants' Exhibit 281.")

Mr. ROSENTHAL. I offer in evidence Defendants' Exhibit 281.

Q. Have you since you were last on the stand ascertained the number of miles of piping that was in the Crescent gathering line at the time of the purchase of that line?—A. I have.

Q. How many miles were there?—A. 302.

13172 Q. Have you also ascertained whether at the time of the organization of the National Transit Company in 1881 the physical properties of the American Transfer Company were then conveyed to the National Transit Company?—A. I have.

Q. What have you learned in that regard?—A. I find that they were so conveyed at that time.

Q. And with respect to the United Pipe lines, was that property at that time, or within a few years thereafter, conveyed to the National Transit Company?—A. Well, at that time 94 per cent of the stock of the United Pipe Lines was so conveyed and the remaining 6 per cent of the stock was afterward acquired, and in 1884, I believe, the property of the United Pipe Lines was conveyed to the National Transit Company in its entirety.

(Paper marked "Defendants' Exhibit 282.")

Q. Mr. Archbold, you remember testifying in detail from a memorandum which I have now had marked as Defendants' Exhibit 282?—A. I do.

Q. Going over all of the companies in that memorandum that were not covered by Mr. Rockefeller?—A. Yes, sir.

Mr. ROSENTHAL. I offer Defendants' Exhibit 282 in evidence.

Q. From your review of these various purchases that you have testified to, and from your recollection of the subject-matter, can you now tell us when it was that the Standard Oil interests entered extensively into the lubricating branch of the petroleum business?—A. Yes. They bought in 1878 and 1879 a number of important

13173 lubricating concerns, and from that date began to have an important relation to that branch of the industry.

Q. And do you now remember those concerns, or the important ones, without referring to the exhibits that have gone in?—A. Yes. They were the American Lubricating Company; the Vacuum Oil Company, or a majority of its stock; the Eclipse Lubricating Company, and perhaps one or two others.

Q. The Galena?—A. Yes; the Galena and the Signal.

Q. With respect to the purchases that were made by Standard Oil interests subsequent to 1875, and between 1875 and 1882, what do you say as to what those purchases were paid for—as to what was used in paying for those purchases—whether cash, stock, or what?—A. They were paid for principally in cash.

Q. That is, all of the acquisitions subsequent to 1875 were cash purchases—practically all?—A. Practically all; yes.

Q. Where did the money come from that was used in making these cash purchases?—A. It came either from the treasury of the Standard Oil Company of Ohio or from the treasuries of some of the subsidiary companies that had come into the common ownership, or by Vilas, Keith & Chester after that trusteeship was established, and in a few cases, I think, where parties took stock in a new company that was formed—took the stock of the company so formed.

Q. When such stock was acquired did the money used in the purchase of such stock come from the same sources?—A. From the same sources; yes, sir.

13174 Q. Sometime after the making of the Vilas, Keith & Chester agreement was there any change in the plan of operation of the various companies that had been purchased by Standard Oil interests, and if so, about when was it that that change was inaugurated and what was the change?—A. I should say that up to about 1880 the energies had been extended to the acquisition of properties at the various points—the acquisition and creation of properties at the various points where it was thought the refining business could be most advantageously done as to economy with reference to the supply of crude, the supply of all the materials that entered into the manufacture and the distribution of the products. At about that time there began to be felt the necessity of a more thorough unification of the interests, so that the administration of them might result in having each unit do the business more thoroughly than it had theretofore done, in the area which its location best qualified it to operate in. The Vilas, Keith & Chester agreement was perhaps the first important step in that direction, but the culmination of it did not come until the trust agreement of 1882, and after that time there was a more thorough unification of interests and more thorough direction as to the operation of the plants in the various localities and in the various corporations; and that unification has practically continued until this time.

Q. And that method of operation?—A. And that method of operation.

13175 Q. I think you were asked by Mr. Kellogg, on cross-examination, something about the change in the marketing methods, that began about 1888 or 1890. I would like to have you explain that change a little more fully than you did upon cross-examination, if you have in mind the subject-matter.—A. Prior to that time the business had been done largely in barrels, which was an expensive and wasteful method. The inauguration of bulk stations, the transportation in bulk cars, and the distribution that came

about in bulk wagons, tank wagons, of course worked a radical change in all respects in the doing of the business, and it tended irresistibly toward the elimination of the jobber or small dealer in oil in the various sections of the country. They realized that the change was occurring and that their facilities were rapidly becoming valueless because of the introduction of these better methods, and for that reason they, in numberless cases, desired to treat for such properties as they had, whether teams, platform, wagons, or whatever, and through that period that was the reason of the many trades that were made with different small dealers throughout the country. It was largely—I should say in the great majority of instances—their own wish that they be dealt with in that way; for the march of progress in the business showed perfectly clearly that their facilities were becoming old fashioned and obsolete.

Q. How had these jobbers theretofore done their business? What was the source of their supply, and how did they reach their trade?—A. They bought from refiners as they could, and took the oil to these stations and then redistributed it.

Q. From what refiners?—A. From any refiner—our own refineries to a considerable extent, perhaps to a large extent.

13176 Q. Do I understand, then, that many of these smaller jobbers whose businesses were purchased during the past twenty years by Standard Oil interests, while they were doing business bought their supplies from the Standard Oil refineries?—A. Oh, undoubtedly.

Q. After having so bought their supplies from the refineries, how did they reach their trade?—A. They took the oil to their warehouses and there redistributed it to the trade in small lots.

Q. To the retailer?—A. Yes; to the retailer.

Q. Can you tell us, right there, in a few words, what change the Standard Oil interests inaugurated in marketing methods and in their manner of reaching the trade, just about this time, and their relation, if any, to this process that resulted in the elimination of the middleman?—A. The change came about through the inauguration of the bulk system throughout, namely, the transportation to the distributing station by bulk cars, and from there by bulk wagons.

Q. To whom?—A. To the consumer; to the retailer. And of course it did away with the leakage incident to barrel transportation—to the double transportation by barrel, and to the barrel itself as a perishable investment incident to the business. It made much more available to the trade the supply of oil, made it more regular and easier of delivery, and cheapened it to the retailer. It was a direct benefit to the consumer, in the cheapening process, in the improved method.

13177 Q. In other words, as I understand you, there was then initiated a process of competition between bulk delivery from the refinery to the retailer, and the old barrel delivery which the then jobbers largely used?—A. Yes.

Q. And in the inauguration of your new methods and in the extension of your vast system of bulk deliveries, reaching every little

town (as has already been described in this record) through bulk deliveries, this middleman or jobber or smaller marketer who had no such facilities, gradually from time to time, in many cases, sold his plant and his property and went out of the business?—A. He did. And the reason was perfectly businesslike and evident; for not only were we establishing these bulk stations, but our competitors in the manufacturing business were also establishing them, and the small dealer knew that his old method was doomed, in the face of the progress that was being made in the business.

Q. You were asked by Mr. Kellogg, upon cross-examination, a great many questions concerning the hazardous nature of the petroleum industry and how it was so regarded during the first ten or fifteen or twenty years of its greatest activity. Since you were cross-examined, have you investigated some of the old newspaper files and magazine files of the period from 1875 to 1885 with a view of ascertaining whether during that period of time there were publications, and many of them, that were published in the oil regions, that reached the petroleum trade and the people interested in the petroleum industry, indicating the views of the scientific men of that period and the people largely interested in the trade as to the future possibilities of the industry?—A. I have.

13178 Q. I call your attention first to a copy of the daily Oil City Derrick, published at Oil City, Pennsylvania, Tuesday morning, August 31, 1875, the same being Vol. 4, No. 303, of that paper. Do you find there a letter addressed to Henry E. Wrigley, a geologist at the head of the Pennsylvania State Geological Survey, signed by George V. Foreman, president of the Oil City Exchange; A. J. Greenfield, vice-president; J. J. Vandergrift, and other members of such exchange, and a letter of Mr. Wrigley in reply thereto?—A. I do.

Q. Have you prepared, or caused to be prepared, extracts from these letters that passed between these gentlemen and Mr. Wrigley?—A. I have.

Mr. ROSENTHAL. Counsel for the defense has the paper in question. The communications are very long, occupying something over a page of this journal. We have cause to be prepared from the correspondence extracts to illustrate the point that we are making, and we are perfectly willing to offer in evidence as a part of this record the whole of the paper, or to submit the paper and the various other papers that we are now going to direct Mr. Archbold's attention to, to Government counsel for their inspection.

Mr. KELLOGG. It is agreed that the extracts prepared by the counsel may be used in lieu of the original articles in the papers, the original articles being submitted for inspection; and any further statements that the Government counsel desire therefrom may be put in.

Mr. ROSENTHAL. Certainly. That is entirely——

Mr. KELLOGG. All of it, however, is objected to as in-

13179 competent and immaterial.

Mr. ROSENTHAL. That is, the subject-matter is objected to as incompetent and immaterial.

Mr. KELLOGG. Yes; the subject-matter is objected to as incompetent and immaterial. The extracts, however, are not objected to as incompetent.

Mr. ROSENTHAL. Because they are extracts.

Mr. KELLOGG. Because they are extracts, in lieu of the original.

Q. Will you read the extracts which you have made from this correspondence published in the "Oil City Derrick" August 31, 1875?—A. (Reading.) "Oil City Derrick. August 31, 1875. State geological survey. Résumé of its labors in Oildom. General character and position of its strata. Production and prices for fourteen years. Prospects for future production. Conclusions drawn from the work. Oil City, August 20, 1875. Henry E. Wrigley, esq. Dear Sir: At no previous time, perhaps, in the history of petroleum developments has the trade so anxiously regarded the possibility of the discovery of new or the extending of the old districts. The conclusions which your recent researches into the geological formation of this section allow you to form will, in a great measure, set at rest disputed points, and materially assist the trade to an idea as to the future probable yield. Geo. V. Forman, president Oil City Oil Exchange; A. J. Greenfield, vice-president; J. J. Vandegrift, W. S. McMullen, William Brough, John Mawhinney, Fisher Bros., C. F. Thumm & Co., George Boulton, N. F. Hilton."

13180 Q. Have you Mr. Wrigley's reply?—A. I have.

Q. Or extracts therefrom?—A. Or extracts.

Q. Read it, please.—A. (Reading.) "Gentlemen: The Allegheny Mountains are understood to form the eastern boundary of all possible oil territory in the State of Pennsylvania. They lie across the State in a general northeast direction, and the eastern line of probable territory, as established by actual test, may be defined as a line from or near the southeast corner of the State bearing across it in that direction. Between this line and the western or northern part of the State we have an inverted triangle containing about 13,000 square miles, through the center of which are scattered at regular intervals actual producing spots or short belts whose total area, while [illegible] gates but 40 square miles, yet seems to have been the result so far [illegible] very thorough search in all directions. The present development has extended vertically from the north line of the State, southward, half way along the west line of this great triangle and covering three-fourths of its area, and, including operations in all localities, must have been tested with over 18,000 wells. We find also that the total length of the entire oil developments from McKean to St. Joe is over 100 miles, and at the south end we are near the possible terminus, if we have not already reached it. We know we have reached the northern limit from the number of gas wells drilled all along the shore of the lake. We can have but a few miles more to go to the

13181 south. Should these prove very prolific, it will continue the present state of things a few years longer. If we develop 20 miles of Butler in three years, the best results we can find below will not give us more than that. And after that? Why, after that we will

turn back again with our skill and past experience and get from our present fields an ample supply of oil to keep up our share of the demand, but not enough probably to require much tankage. It may seem absurd, in the face of the present production and amount of tankage, to take much stock of such probabilities as these. Four or five years is a long wait for oil operators to look ahead. The Pennsylvania oil region may be described from the present standpoint as containing, first, 13,000 square miles of possible oil territory; second, 3,200 square miles of probable oil territory; third, 40 square miles of actual oil territory, found by the work of the last fifteen years. The extreme range of possible production from north to south does not exceed 115 miles; our present development covers of this amount over 100 miles."

Q. The daily Oil City Derrick in August, 1875, was what?—A. It was the leading acknowledged paper on petroleum matters.

Q. And did it have a wide circulation among those interested in the petroleum industry?—A. It did.

Q. What was the Titusville Courier?—A. It was a publication at Titusville, Pennsylvania, devoted to oil interests.

Q. And in the center of the oil regions?—A. It was.

13182 Q. Did that also have an extensive and wide circulation among people interested in the oil industry?—A. It did.

Q. How about the Bradford Era and the Petroleum Age, published at Bradford, Pennsylvania—both of them?—A. The Bradford Era was a daily publication devoted to the oil industry and was the leading paper in the more northerly section of the oil field. The Petroleum Age was a strictly petroleum statistical paper.

Q. I call your attention to an article published in the Titusville Daily Courier of October 15, 1875, the same being a continuation, apparently, of the report of Mr. Henry E. Wrigley, then at the head of the Pennsylvania geological survey. Have you examined that article and caused extracts to be made therefrom?—A. I have.

Q. Will you read such extracts as you have caused to be made?—A. (Reading.) "Titusville Courier, Oct. 15, 1875. Special geological report, 1875, by Henry E. Wrigley, Pennsylvania geological survey—

"The area thus defined, which embraces about 3,200 square miles, may be dominated therefore the probable oil territory.

"This strip of heavy oil territory has taken from our area over 1,200 square miles, leaving us less than 2,000 square miles of probable light oil territory.

"(It is perhaps hardly necessary to recite here that heavy oil is of little value for illuminating purposes, and is never produced in great quantities, the oil of the world being the light oil of 47 degrees is the main subject for consideration.)

"The fact that the total area of these producing spots of light oil territory as found so far, does not aggregate over

13183 35 square miles out of this 2,000, would be apt to engender in the minds of those unacquainted with the business, a vital

misconception; while the different beds of sandrocks sweep under the entire oil country, the pebble rock is a special deposit, found only at rare intervals within these sandrocks, just as gold and similar deposits are found, and it has proved almost as valuable.

"Taking the average depth of pebble rock at 25 feet, we have found so far, four and a half millions cubic feet of this material, which has produced over three hundred million dollars worth of oil, making its value at this rate over sixty-six dollars a cubic foot. If it were possible to place upon a map the exact location of every well of the 18,000 that have been drilled up to the present time, the greater part of this 2,000 square miles of light oil territory would be found to be pitted in all directions and very uniformly.

"There can be no question that we have gone over this entire area from north to south with a very thorough search; beyond a few outlying points which might produce a considerable amount of oil, I am not aware that there is any future chance for great expectations within four-fifths of its area than may arise from the blunders or inefficiency of these previous attempts in heretofore unproductive localities and the mobility of the oil from one pebble rock to another; the prodigal production of the country during the past few years would naturally create great caution in making statements of this kind, but as a disinterested observer I can draw no other conclusions from the present situation than that the oil of the future will
13184 only be produced by diligent and careful search, and at much greater cost than heretofore.

"Let us, however, look at this matter broadly: Suppose we should find another great belt in Butler County, or to the south of it, which is very *improbable*, the present 30 miles of development has lasted us just three years. At the outside estimate we can have but three years more of such abundance, and we have but little upon which to base any supposition that we shall have it all. I deem it safe, therefore, to assume that our future work lies in the gleaning of the field which we have reaped, and not in fresh and untried localities.

"While different people will naturally draw different conclusions from the premises which have been stated here, it seems to me that it is not enough to disabuse the popular mind of the fallacy that our oil region is inexhaustible; we should go farther than that; we have arrived at a point when it behooved us to take the best possible care of all we have left, and to secure for it the largest possible return; such return will be precisely commensurate with the system and care with which the business is conducted."

Q. I call your attention to an article published in the Bradford Era Friday morning, June 16, 1882, entitled "How Do They Know? The scientists speculating on petroleum. A prediction that the American oil fields will be exhausted in four years from date. The manner in which the fields have been developed pronounced a wanton and wicked squandering of precious treasures," the article purporting to be based upon a speech made by Prof. R. W. Raymond, of Brook-

lyn, at a dinner given at the Brooklyn Revenue Reform
13185 Club on the preceding Wednesday evening. Have you caused to be made extracts from that article so published?—A. I have.

Q. Will you please read those extracts into the record?—A. (Reading:) "The Bradford Era. Friday, June 16, 1882.

"Prof. R. W. Raymond, of Brooklyn, was one of the speakers at the dinner of the Brooklyn Revenue Reform Club on Wednesday evening last. Among other things, Prof. Raymond is reported to have 'cited the petroleum industry as presenting the extraordinary spectacle of over production so great as to reduce the value of a barrelful of oil to 50 odd cents, while at the same time the whole industry was rapidly drawing near a close—four years being the period in which the known remaining oil territory would probably be exhausted, on the reasonable assumption that it was good, but no better than that which had been exhausted and abandoned heretofore.'

"'That is substantially correct,' said Prof. Raymond, when shown the quotation. 'The oil field, as it is termed, has been clearly defined and accurately ascertained by actual geological surveys. The extent and limits of the deposit has been found that at the outer edge of the belt the result of boring has been to produce only gas and not oil. This belt extends diagonally across Pennsylvania and a short distance into New York, in Allegheny and Cattaraugus counties. It is about 200 miles long, 25 miles wide, and contains about 4,250 square miles. This, in brief, is a comprehensive statement of what may now be definitely set down as the 'known remaining oil region.'"

The argument in support of this theory is detailed at length
13186 in a paper read by Mr. Henry E. Wrigley, C. E., of Philadelphia, at the meeting of the American Institute of Mining Engineers, held in Washington in February last. The present situation and future outlook of the industry is thus summed up by Mr. Wrigley. After stating the amount of territory already exhausted and abandoned, the average life of an oil-producing well, which he says is less than four years, the aggregate product so far, and the extent of territory yet remaining, he says:

"'If 54 square miles of the lower actual territory produced in round numbers 108,000,000 of barrels of oil, then the 11 square miles left will give	22,000,000
"'If 230 square miles of crevice rock territory produce 46,000,000 of barrels, then the 370 square miles remaining will give	74,000,000
"'Total	96,000,000

"'It is only necessary to add that the present yearly output is over 25,000,000 barrels.'"

Q. I call your attention to an article published in The Petroleum Age, Bradford, Pennsylvania, November, 1885, entitled "The product and exhaustion of the oil regions of Pennsylvania and New York, by Charles A. Ashburner, M. S., geologist in charge of the Pennsyl-

vania survey, read before the American Institute of Mining Engineers at the Halifax meeting, September, 1885." Have you caused to be prepared extracts from that article?—A. I have.

Q. Will you please read such extracts into the record?—A. (Reading:) "At the Washington meeting of the institute, held in
13187 February, 1882, the late Henry E. Wrigley read a paper on the amount of oil remaining in Pennsylvania and New York (Transactions X, 354), in which he gave the area of the oil territory, the amount of oil produced per square mile, and estimates of the amount of territory yet to be drilled over, and of the quantity of oil which could be expected.

"Mr. Wrigley stated that the total production to the commencement of that year had been 154,000,000 barrels, and that but 96,000,000 barrels of oil remained to be got.

"That the general boundaries of the oil-regions of Pennsylvania are now well established, there is but little doubt; and that all the sands in which oil will ever be found in paying quantities are known and have been drilled through at different localities in the oil regions seems quite certain, so that we can have no reasonable expectation that any new and extensive field will be found which could compare in area or in the amount of oil to be obtained from it with the Butler, Clarion, and Armstrong pool, the Oil City and Pleasantville pool, the great Bradford pool, or the Allegany pool. Prof. Lesley, in speaking of this subject in January, 1883, says: 'It is certain that petroleum is not now being produced in Devonian rocks by distillation or otherwise. What has been stored up can be got out. When the reservoirs are exhausted there will be an end of it. The discovery of a few more pools of two or three million barrels each can make little difference in the general result.' Mr. Carll, in June of the same year, writes: 'There are not at present any reasonable grounds for
anticipating the discovery of new fields which will add enough
13188 to the declining products of the old, to enable the output to keep pace with the shipments or consumption.' These results foreshadowed by Prof. Lesley and Mr. Carll, were not generally appreciated until the latter part of 1883. The irregular, but in the long run steady, decline in the daily production of petroleum from July, 1882, when the maximum average daily production for any one month was attained (105,102 barrels), is now generally realized. The production for any one month, or any one year, may be increased very materially over what it is at present by renewed activity in drilling wells within the general confines of the oil region, or by working over old territory under the stimulation of a hungry market and high prices; but such an increase in production can only be of limited duration, since there is nothing to hope for during a decade of years but a progressive decline."

Q. The next great field that was discovered and opened after the Pennsylvania field was the Lima field, was it not?—A. In Ohio; yes, sir.

Q. In Ohio; Lima, Ohio?—A. Yes, sir.

Q. And that was opened about 1886, was it not?—A. Yes; began to be important about 1886.

Q. Do you remember the date of the organization of the Standard Oil Company of Indiana?—A. 1889.

Q. And its capital stock?—A. $1,000,000.

Q. Where did that money come from?—A. It came from the Standard Oil Company of Ohio—no; from the trustees, in 1889.

Q. The Standard Oil trustees?—A. The Standard Oil trustees, yes.

13189 Q. And the Standard Oil Company of Indiana, on its organization in 1889, started to do what?—A. It started the effort to conquer the Lima oil—to refine the Lima oil.

Q. What did it do in the way of the construction of a refinery at that time?—A. It started to build a refinery at Whiting, Indiana.

Q. Do you remember about the capacity of that refinery when it was originally built in 1889 and 1890? Was it about 10,000 barrels a day?—A. Well, I should say 10,000 of roughly-treated products.

Q. Do you remember what it is now, Mr. Archbold—its refining capacity?—A. I should say it was in the neighborhood of 30,000.

Q. Did the Standard Oil Company of Indiana within a few years after its organization purchase properties from other Standard Oil Companies?—A. It did.

Q. Do you remember, generally speaking, what they were?—A. I think the first acquisitions were the Standard Oil Company of Illinois, and perhaps the Standard Oil Company of Minnesota.

Q. Taking over the properties which had theretofore been owned and operated by the Standard of Illinois and the Standard of Minnesota?—A. Yes, sir.

Q. Since the construction of the Whiting refinery and its development, has the Standard Oil Company of Indiana constructed other refineries?—A. It has.

Q. Will you name them, please?—A. It built first a small refinery at Neodesha, Kansas.

13190 Q. Do you remember about what its capacity was when built?—A. Originally its capacity was about 500 barrels per day.

Q. And its capacity now?—A. I should say it was five or six thousand barrels a day.

Q. And what other refinery?—A. Next built a refinery at Sugar Creek, near Kansas City, Missouri.

Q. Do you remember about how large that was when it was built?—A. It has a capacity of about 6,000 barrels a day of thoroughly finished products, but it has handled a great deal more than that in the method in which it has run the oil.

Q. Any other refinery built by the Standard of Indiana?—A. Later they built a refinery at Sugar Creek, or near North Alton, in Illinois, near St. Louis.

Q. You don't mean Sugar Creek; you mean Wood River?—A. I mean at Wood River. The other is called the Sugar Creek.

Q. How large a refinery is that?—A. That is about 6,000 barrels a day.

Q. That Neodesha refinery, I think, was built by the Standard of Kansas, was it not, instead of the Standard of Indiana, in the first instance?—A. Oh, I think it was.

Q. I think our exhibits here show that to be correct.—A. Whatever the record was. It is a little difficult to remember all of those records.

Q. Has there been within the last fifteen or twenty years
13191 extensive developments of the wax industry?—A. Very great.

Q. Wax, I think, you have already told us, is one of the important by-products of petroleum?—A. It is.

Q. Can you give us, first, some general idea of the development of that branch of the business before I take you into specified statistics?—A. Of course, it had been known all through the earlier—after a certain period, at any rate, in the development of the business, that it was possible to produce paraffine products from the heavier parts of petroleum in distillation; and the Standard interests came to believe that if they were properly developed and utilized they could be made to supplant the paraffine products that were being made from coal shales, especially in the United Kingdom, in the making of candles, and in all the uses to which paraffine is put; and with that end in view they set about the development and utilization of the paraffine product from petroleum, resulting, of course, in enormous increase in the use of that product.

Q. Have you caused to be prepared a table showing the total deliveries of paraffine wax by Standard Oil refineries, for both the export and home trade, in the years 1892 to 1907, both inclusive?—A. I have.

(Paper marked "Defendant's Exhibit 283.")

13192 Q. Will you take that, Mr. Archbold? [Handing a paper to the witness.] What is Miner's Sunshine? Is that a wax product?—A. It is a wax product made for use in miner's lamps.

Q. The total amount of crude wax produced in 1892 by all of the Standard Oil refineries was how much?—A. 60,154,790 pounds.

Q. And in 1907 it was how much?—A. 109,649,553 pounds.

Q. The total amount of refined and semi-refined wax produced by all Standard refineries in 1892 was how much?—A. 11,271,479 pounds.

Q. And how much was that increased by 1907?—A. The total in 1907 was 96,564,187 pounds.

Q. In round numbers there was an increase in the production and sale of refined and semi-refined wax, in those fifteen years, from 11 million to 96 million pounds?—A. Yes.

Q. How many pounds of candles in 1892?—A. 2,943,202 pounds.

Q. And to what number of pounds did you increase that by 1907?—A. To 22,419,673 pounds.

Q. And the total pounds of all the wax products in 1892 so produced was what?—A. 74,369,471 pounds.

Q. And the total pounds in 1907?—A. 240,992,478 pounds.

Q. So that the development of this one by-product—wax—in the last fifteen years has in itself represented an enormous development, has it not?—A. It has.

Q. These wax candles have been in competition during these
13193 years with the old tallow candle, have they not?—A. Yes; tallow and stearine.

Q. And the result of that competition has had what effect upon the sale of tallow and stearine candles?—A. I should say that it greatly reduced it. But, of course, its large competitor abroad was from the carbon shales, more particularly in Scotland.

Q. Do you know, as a practical proposition, whether the use of wax in modern industries has been largely extended during the past fifteen years?—A. I know that it has.

Q. Can you illustrate that by giving us one or two illustrations?—A. It has been used for a great variety of purposes. It is used in the putting up of fruit, for covering the top of the fruit jars; for the preservation of stone—the treating of stone for its preservation; and a great variety of uses with which I am not very familiar. It is used quite largely in the making of chewing gum nowadays. Some of these young men know about that.

Recross-examination by Mr. KELLOGG:

Q. Mr. Archbold, this paraffine wax industry is one that all of the refiners have engaged in, is it not?—A. I do not think "all;" many have.

Q. Your competitors also make paraffine wax and sell it?—A. Oh, yes.

Q. The Standard Oil Company did not discover the process at all, did it?—A. Oh, no.

Q. The process of making paraffine wax was in existence
13194 as early as thirty years ago, wasn't it?—A. Oh, it has been in existence a long time, from the coal shales. Just when it began from petroleum, I do not know.

Q. The chief reason for the increase of production is the increase in demand?—A. I think it is the result of special effort for its introduction and distribution.

Q. Yes; but outside manufacturers have made more use of it in later years than they used to make?—A. I have no doubt that is so.

Q. Now, that is the same way with many other products, is it not?—A. Well, I——

Q. Take gasoline; in modern times the extension of the use of it is owing to the invention of the gas engine and the extention of its use, largely?—A. Oh, undoubtedly.

Q. And the increased use of paraffine wax is owing to the fact that in the development of manufactures more of it is used?—A. Certainly.

Q. But your competitors have made it and do make it the same as you do?—A. They do. The credit that I claim is that we made very special effort for its introduction and distribution.

Q. Others have done the same, haven't they?—A. Probably they have.

Q. To the extent of their ability?—A. To an extent, yes.

Q. Now, in the matter of a great many of these by-products, the independent refineries so-called have done the same as you have, haven't they?—A. Oh, they have, undoubtedly.

Q. Take many of those that you testified to the other day—for instance, cylinder oil. The earliest manufacturers of
13195 cylinder oil were at Binghamton, New York, were they not—a Mr. Brill?—A. There was a very early concern there—a small concern.

Q. And he is still in business, isn't he, in Philadelphia?—A. I do not know.

Q. As the Union Petroleum Company?—A. I do not know.

Q. Leonard & Ellis were very early manufacturers of cylinder oil, isn't that true?—A. They were; yes.

Q. In making lubricating oil, it was made from the petroleum stock, before 1870, wasn't it?—A. It was to an extent; yes.

Q. Spindle oil I think is one thing you testified about the other day. Wasn't that first introduced by the Downer Manufacturing Company of Boston?—A. I think it likely. I do not know definitely. It probably was. There had been coal oil manufacturers before petroleum, you know.

Q. Wool oil—wasn't that first sold or manufactured by Paine, Ablett & Company long before the Standard Oil Company combination or interests got hold of it?—A. It may have been. I could not say.

Vaseline was manufactured as early as 1860, wasn't it, in Cincinnati, Ohio?—A. I didn't know it if it was. It was before my time for using vaseline.

Q. It was called petroleum jelly in those days, wasn't it?—A. It was. It has always been called petroleum jelly.

Q. That was manufactured, when you first went into the oil business, wasn't it?—A. Well, there has been petroleum jelly always.

Q. Well, vaseline manufactured from petroleum jelly?—
13196 A. I do not think that petroleum vaseline was used until later.

Q. Was not vaseline made as early as 1860, by chemists in Cincinnati, Ohio, from petroleum products?—A. If it was, I never heard of it. I did not know it.

Q. In all these by-products your company has undoubtedly done a great deal to develop; but other companies have done the same thing, haven't they?—A. They have done something, of course, all the time.

Q. And a great many of these by-products were started, patented or invented—whatever you call it, by other concerns, were they not?—A. They were.

Q. And the oil business is like any other business; there have been a great many developments——

Mr. ROSENTHAL. We will admit that, without any argument.

Mr. KELLOGG. Don't interrupt me, please.

Q. There have been a great many developments in modern times, bettering the articles and the by-products, have there not?—A. There have.

Q. You have testified to the capitalization originally of the Standard Oil of Indiana. The Standard of Indiana was organized, I believe you said, by the trustees of the Standard Oil Trust?—A. Yes.

Q. And the original capital put in the company was $1,000,000?—A. Yes, sir.

Mr. ROSENTHAL. That was the original capital stock subscribed. I think the record shows several million dollars loaned at that same time to the Standard of Indiana.

13197 Q. Well, the original capital subscribed was $1,000,000?—A. That was the capital stock, yes.

Q. That was the amount of money that was invested in the enterprise?—A. To begin with, yes.

Q. Now, whatever loans were made to that company were paid off out of earnings, weren't they?—A. I do not know just what the process of the transactions in the loan account was.

Q. None of those early loans is left, is it?—A. Oh, probably not now, no.

Q. So that whatever loans were made to that company were not paid by a call on the stockholders for additional money?—A. Not to my knowledge, no.

Q. They were paid out of earnings of the company, except such loans as may be now in existence?

Mr. MILBURN. He can not get a nod of your head in the record. You will have to state.

WITNESS. Yes, I understand.

Q. What I want to get at is this: The million dollars originally put in is all the money ever invested in the Standard Oil of Indiana, except accumulation of net earnings; isn't that correct?—A. Well, the loans of course played a very important part in the inauguration of the business and in its transactions for a period.

Q. Yes, but those loans have been paid out of net earnings, haven't they?—A. They probably were, later, yes.

Q. For instance, the balance sheet of 1906 would show the original capital, the net earnings, the accumulation of net
13198 earnings, the loans, and the net assets, wouldn't it?—A. I should think it should.

Q. And that shows, does it not, that one million dollars was the only money ever invested in the Standard Oil of Indiana?

Mr. ROSENTHAL. No; that shows that that was its capital-stock investment.

Mr. KELLOGG. I mean except from accumulation of net earnings.

Mr. ROSENTHAL. You see it acquired properties from the Standard Oil of Illinois, the Standard Oil of Minnesota, and the Standard Oil of Kentucky at a very nominal sum.

WITNESS. There were a great many properties acquired along during the earlier history of the business, and the basis of those acquisitions I am not familiar with. They probably added very largely to its assets.

Q. How do you know that those properties were acquired for a nominal sum?—A. I say they probably were, from the appearance of the business.

Q. How do you know what they paid for the Standard of Minnesota's property?—A. I have not figures in mind.

Q. How do you know what they paid for the Standard of Illinois property? Didn't they pay all the property was worth?—A. I do not know. I should say that they probably bought them at nominal figures.

Q. Isn't it a fact that those properties were taken over to the Standard of Indiana from the Standard of Minnesota and the Standard of Illinois for exactly what the balance sheets of those companies showed they had cost?—A. I could not answer without examination.

13199 Q. Isn't it a fact that from that one million dollars' investment the Standard of Indiana has paid its dividends (whatever the balance sheet shows from year to year) and has accumulated over 27 millions net assets?—A. I should say that the loan account must be taken into consideration in connection with the inauguration of its great plant and the carrying forward of its business.

Q. I didn't hear that answer.—A. I should say that the loan account would necessarily have to be taken into consideration for the inauguration of its business and for the building of its plant. It couldn't——

Q. No, I am deducting the loan account.

Mr. ROSENTHAL. Wait a minute. It couldn't what?

WITNESS. It couldn't have started its business at all on a million dollars' capital, which has always been a nominal capital for the Standard of Indiana.

Q. I know, but its loans have been paid out of earnings, haven't they?—A. I do not know what the history of the matter has been in the accounting way. I could not answer without investigation.

Q. In 1906 the Standard of Indiana seemed to owe $3,351,420.17; it had gross assets of $27,502,089.86, leaving net assets of a little over 24 million dollars. Therefore the Standard of Indiana, over and above all money it borrowed, on an original investment of $1,000,000 had at that time accumulated net profits——

Mr. ROSENTHAL. On the original capitalization.

Mr. KELLOGG. That is investment.

Mr. ROSENTHAL. Part of it.

13200 Q.——had at that time total assets of over 24 million dollars, hadn't it?—A. Whatever the balance sheets show. But I should say that that was a very unfair way of stating it.

Q. Why is it?—A. The million dollars was at all times an entirely nominal figure. It could not have begun its business at all on $1,000,000.

Q. But it has paid back its loans?—A. It may have paid back its loans. But how that came about, whether it was aided in doing so by the acquisition of these large properties at nominal prices, I do not know.

Q. And in addition to that it has paid large dividends, hasn't it?—A. I could not state from memory what it has paid.

Q. Didn't it pay in 1906 300 per cent in addition to that?—A. I could not state from memory. I am not sure.

Q. Now, all of these properties, then, besides paying its dividends, it has purchased out of net earnings from year to year, hasn't it?—A. That I could not answer, without familiarizing myself with the record of the business for all these years. Of course there has been an enormous growth in the volume of its business.

Q. The Standard of Minnesota was a marketing concern, wasn't it?—A. It was.

Q. Organized to take over marketing properties in Minnesota?—A. Yes.

Q. And when the Standard of Indiana became the marketing company for all that northwestern territory, it simply took over that property?—A. It did.

Q. The Standard of Minnesota had taken over the property of Bartels & Richardson, hadn't it?—A. Possibly so.

13201 Q. You remember Bartels & Richardson was a large wholesale concern in that northwestern territory, don't you?—A. I was not very familiar with the section. It seems to me I remember the name Bartels.

Q. Bartels & Richardson had been doing business in St. Paul, Minneapolis, Wisconsin, the Dakotas, and Minnesota, retailing oil, hadn't they?—A. I do not know.

Q. For independent concerns?—A. I am not at all familiar with their business.

Q. And the Standard bought them out and turned its property over to the Standard of Minnesota, didn't it?—A. Possibly so.

Q. Was not that the foundation of the Standard of Minnesota?—A. I could not answer that question. I do not know. I was not familiar with it.

Q. The Standard of Illinois was a marketing concern in Illinois?—A. The Standard of Illinois was a marketing concern. It had succeeded to the business of P. C. Hanford.

Q. When you took over those properties, what makes you think you took them over at a nominal sum? Didn't you take them over at the invoice?

Mr. MILBURN. "You" means what?

Mr. KELLOGG. I mean the Standard of Indiana.

A. I could not answer the question without reference to the records. I did not have to do with it personally, and I am not familiar with it.

Q. Isn't it a fact that from 1899 to 1906, on its capital of $1,000,000 as the only money ever invested, the Standard Oil
13202 earned $55,656,385.53, net earnings (the Standard of Indiana), over and above interest on any loans and after paying off all its loans?—A. It was founded in 1889.

Q. From 1899 to 1906, I said.—A. Well, it was founded in 1889.

Mr. KELLOGG. Well, I know.

Mr. ROSENTHAL. What was its capital in 1899?

Mr. KELLOGG. One million.

Mr. ROSENTHAL. No; I mean the capital invested, not the capital stock. That is hardly a fair figure upon which to base a question.

Q. Are not those figures correct? I show you the balance-sheet.

Mr. ROSENTHAL. It may have had $20,000,000 capital in 1899, regardless of its capital stock.

Mr. KELLOGG. Yes; but it had come from net earnings therefore earned.

Mr. ROSENTHAL. That does not follow, either.

WITNESS. I have no personal knowledge of the record. I repeat, that the capital stock was at all times, of course, entirely nominal. How much capital may have been employed during this period I do not know. They may have made very large loans in reaching this result.

Q. Isn't it a fact that $1,000,000 was all that was ever invested in that business, except the loans that were paid off out of net earnings in addition to the earnings I have mentioned?

13203 Mr. ROSENTHAL. I submit he has already stated that other purchases were made.

Mr. KELLOGG. I have not asked him that.

WITNESS. I am not familiar, as I have already said, with the record of the business in all its relations.

Q. Referring to the companies that were bought between 1878, 1879, and 1880, you say most of them after 1875 were bought for cash?

Mr. ROSENTHAL. "Practically all" of them, he said.

Q. Well, practically all of them. Some stocks were issued?—A. I think in one or two cases there was some stock issued?

Q. In the Standard Oil?—A. I don't remember that there was stock issued in the Standard Oil. There may have been, possibly.

Q. Now, where corporations were organized and outside parties took their stock they took their stock in lieu of their interest in the properties, I suppose, didn't they?—A. They did.

Q. And your money—that is, Standard Oil interests' money—was furnished by the stockholders of the Standard Oil Company, wasn't it?—A. It was furnished by the Standard Oil Company or by some of these subsidiary companies, or by Vilas, Keith & Chester during that trusteeship.

Q. Vilas, Keith & Chester got their money from the stocks that they held as trustees, didn't they?—A. They did; yes.

Q. Dividends from the various companies?—A. Yes.

Q. And that belonged to the stockholders, didn't it?—A. It belonged to the people who were synonymous with the stockholders of the Standard Oil Company.

Q. Yes. The same men; but it belonged to them as indi-
13204 viduals?—A. It belonged to them; yes.

Q. And their individual money was used in buying these individual stocks?—A. It was.

Q. So, as a matter of fact, all the money that was used to buy these stocks after 1875, that was paid for in cash, was really the individual money of the individuals that went in?—A. Went in in this common ownership?

Q. Yes.—A. Yes, sir.

Q. That is correct, isn't it?—A. That is quite correct.

Q. Now, you said that between 1890 and some years thereafter—I don't remember exactly—the change in the marketing system of the Standard Oil Company tended to eliminate the jobber and, therefore, his plant was for sale?—A. I did.

Q. And your conclusion is that that is one reason why you bought so many properties during those years?—A. That is true.

Q. That does not explain the large number of independent oil dealers which you bought since 1900, does it—between 1900 and the present time?—A. Largely so; I should say, yes.

Q. Well, take the Standard Oil Company of Kentucky. It appears from Mr. Westcott's testimony that it bought quite a large number of independent oil dealers, among them being tank wagons and companies having tank wagons or peddling wagons, throughout various places in the Southern States and in Ohio and Illinois. Now, these men were not jobbers; they were peddlers and dealers in oil, the same as you, weren't they?—A. I do not know about the individual. I speak of the record in its entirety, as a class.

13205 Q. Isn't it a fact that the various subcompanies of the Standard Oil Company have throughout various parts of the United States bought a large number of concerns engaged in retailing or wholesaling oil—concerns having tank wagons and facilities for doing business locally in their towns?—A. They have, undoubtedly, bought a large number of such trading concerns. How many of them had tank wagons, I could not say. I should say that as a rule the condition which I have already described prevailed in those cases, and that our purchase of their properties was at their own solicitation as a rule.

Q. Do you remember that a large number of these were doing business in opposition or in competition with the Standard Oil?—A. I do not imagine that that was true of a "large number" of them.

Q. Now, let me show you. Mr. Westcott gave the list of a large number; for instance, the Southern Oil Tank Line, the Mutual Oil Company, White's Golden Lubricating Company, Protection Oil

Company, C. P. Wagner & Company, H. Garlick & Company, Star Oil Company, Alabama Oil Company, Brooks Oil Company, Southeastern Oil Company, Vincennes Oil Company, Sunlight Oil & Gasoline Company, Manufacturers' Oil Company, Banner Oil Company, People's Oil Company, Dixie Oil Company, Capital City Oil Company, Consumers' Oil Company, all of which were doing business in competition with the Standard Oil Company through the Southern States.

Mr. ROSENTHAL. Does this question state that Mr. Westcott testified to all of those companies having been acquired by the Standard of Kentucky?

Mr. KELLOGG. That is my recollection.

13206 Mr. ROSENTHAL. Mr. Westcott did not so testify.

Mr. KELLOGG. I am reading it from his testimony here. I can take them up individually, if you wish.

Mr. ROSENTHAL. He did not testify that that entire list, as read by you, was acquired. You asked him, I think, concerning all of those, but——

Mr. KELLOGG. Well, the great majority of these he said they bought and he knew about. There may be a few that he didn't know about.

Mr. ROSENTHAL. It is entirely true that he testified as to a majority of those companies having been acquired, but not all of them, as your question stated.

Mr. KELLOGG. There may be two or three of them that he didn't know about.

Mr. ROSENTHAL. I am not prepared to say it was only two or three. I think it was many more.

Mr. KELLOGG. But there are a great many that he did know.

Mr. ROSENTHAL. Certainly.

Q. Now, those concerns were doing business in competition with your company, weren't they?—A. I do not know that they were doing business in competition. I should say, as a matter of impression, without having special personal knowledge of that department of business, that they had probably been buying their supplies very considerably from us, while they were in a sense only in competition in the way of local distribution.

Q. Do you actually know of any of them buying their supplies of you?—A. As I say, I am not personally familiar with those local concerns. Many of them I never heard of, even, before.

13207 But I should say that the probabilities are that they had their supplies largely from us.

Q. Mr. Westcott would be pretty apt to know it, wouldn't he?—A. I don't know.

Q. He was the manager of that company, wasn't he?—A. Well, I do not know. He was located here in New York. Whether he would know about the local situation there or not, I do not know.

Q. As the manager of sales of the Standard Oil——A. He had general oversight here of the interests concerned; but I do not imagine he knew specially about the local situation in those sections.

Q. Isn't it a fact that your company has, through its subcompanies, or your subcompanies have, bought a large number of such concerns during the last six or eight years, engaged in business all over the United States?—A. As I have already said, where we have found those concerns wishing to sell instead of going on in the duplication of facilities in a certain locality, we have dealt with these local traders and succeeded, as far as possible, to the good will of their business, rather than to crowd them out of business—which might easily have been done. It has been a natural evolution, and it has been done on amicable grounds.

Q. Are you sure they have all gone out of business amicably?—A. I think it would be found that with nine out of ten of them arrangements were made on purely amicable grounds.

13208 Q. Mr. Archbold, have you got any of these matters that we asked for the other day?—A. The matter has all been in the hands of counsel, Mr. Kellogg. They will answer with reference to the different features. We have been very busy on the matter.

Mr. ROSENTHAL. The first request he has already answered. That can not be amplified beyond his testimony.

Mr. KELLOGG. Which is that, Mr. Rosenthal?

Mr. ROSENTHAL. The McDonald account. "Produce the English books of the Anglo-American Oil Company." You have already asked him about that, and he said he had no control over them, that they are in London.

Mr. KELLOGG. Can't they be procured? Can't you get the information from the London books about the James McDonald account?

WITNESS. Well, I suppose I can——

Mr. ROSENTHAL. We will endeavor to do that, yes.

WITNESS. I will make further inquiry.

Mr. KELLOGG. Is the second one made up? The second one was in relation to the list of companies and the property bought.

Mr. ROSENTHAL. That is a request that would require many weeks of investigation and much labor. I do not think we will be able to give you that while Mr. Archbold is on the stand or while we are in our case.

With respect to the third request, it may be taken that the table published on page 560 of the report of the Industrial Commission was accurate at that time.

Mr. KELLOGG. All right. And also did it include the Tide Water?

13209 Mr. ROSENTHAL. I think it did not include the Tide Water.

As to your fourth request, we are working on that, and I think we will be able to give you that list practically complete, or a good many of them anyway. We have a good many of those old certificate books and we are going through them now with a view of running that down and making up a list for you. Some of them have not been found and probably can not be found. As to most of them, I think we will have it.

Mr. KELLOGG. "No. 5. Produce the original balance sheet of the trustees for 1882, showing the actual value of the stocks for which the $70,000,000 of trust certificates were issued."

Mr. ROSENTHAL. We are making search for that balance sheet now. And so as to No. 6. As to No. 7, I have sent for that and they ought to be in almost any time now. As to No. 8, I think I have that. I will have it for you at 2 o'clock.

Mr. KELLOGG. All right.

Mr. ROSENTHAL. No. 9 Mr. Folger is checking up and working on. And so as to No. 10. We will see what we can do on that. No. 11; I do not think we can add anything to that as far as Mr. Achbold is concerned. As to No. 12, we have not any additional information on that, but may be able to get it for you by an examination of those old contracts.

Mr. KELLOGG. So the record may show what these numbers are, the reporter may copy into the record the demands.

(The paper is as follows:)

13210 515 CUSTOM HOUSE, NEW YORK,
December 4, 1908.

MORITZ ROSENTHAL, Esq.,
Attorney for Defendants,
26 Broadway, New York.

UNITED STATES v. STANDARD OIL CO. OF N. J. ET AL.

DEAR SIR: The following are among the requests made of Mr. Archbold which we would like to have him comply with as soon as possible:

(1) Find out about the James McDonald account and produce the English books of the Anglo-American Oil Company showing what this loan was for.

(2) Please furnish a statement showing the name, location, and business of all corporations engaged in any branch of the petroleum business in which stock has been purchased, and of all corporations, firms, and individuals engaged in the oil business whose business or property has been purchased by any of the subsidiary companies of the Standard Oil Trust from 1882 to 1899, and by any of the subsidiary companies of the Standard Oil Company of New Jersey from 1899 down to the present time. Please let this statement show the date of acquisition in each case and the company by which acquired. The list of concerns acquired need not include any of the concerns listed in defendants' Exhibit 271, 272, 273, and 274. It is not desired that companies or concerns which have been established by Standard Oil interests should be listed, but only concerns formerly engaged in some branch of the oil business whose stocks, property, or business have been acquired.

13211 (3) Examine the table on page 500 of the report of the Industrial Commission showing the percentage of business done by Standard Oil interests and state whether it is accurate; and

also whether it includes all or any part of the output of the Tidewater companies.

(4) Produce the books or records showing in whose names stood the stocks of the various companies which by the agreement of 1879 were turned over to Vilas, Keith & Chester as trustees for the stockholders of the Standard Oil Company of Ohio. We wish this to show in whose names the stocks of these various companies stood from the time they were acquired by so-called Standard Oil interests to the time they were put into the trust agreement and transferred to the trustees in 1882. That is, to be more specific, we wish to know in whose names the stock stood on the stock books of the various companies.

(5) Produce the original balance sheet of the trustees for 1882 showing the actual value of the stocks for which the $70,000,000 of trust certificates were issued.

(6) Produce the trust-certificate book and trust-certificate journal and ledger showing the issue and transfer of all certificates issued by the trustees.

(7) Produce the contract with Barnsdall or a copy thereof.

(8) Produce the present list of directors of the Anglo-American Oil Company, indicating their residences.

(9) Produce the corrected statement of the value of refineries in 1906, showing the value less depreciation.

13212 (10) In connection with Exhibit 268, present an additional statement comparing the purchase of crude oil by the Standard Oil interests with the total production, and comparing the consumption of crude oil by the Standard Oil interests with the total production for each of the fields separately, namely, the Pennsylvania or Appalachian field (including southeastern Ohio), the Lima-Indiana field, the Illionois field, the Mid-continent field, the California field, and the Texas field.

(11) Find out about the payments to P. S. Trainor in the Southern Pipe Line Company accounts.

(12) Give us the defendant companies' sale of gas oil to the Consolidated Gas Company, of New York, and the price now being received for gas oil under the contract with the People's Gas Light & Coke Company, of Chicago.

Yours, truly,

FRANK B. KELLOGG,
Special Assistant to the Attorney General.

Mr. KELLOGG. That is all I wish to ask Mr. Archbold, except I may wish to ask him some questions as you get that other information. If I do I will notify you. That is all at present.

I want to identify, Mr. Rosenthal, this table on page 560 of the Report of the Industrial Commission. It is understood that the table on page 560 of the Report of the Industrial Commission, Vol. 1, which

13213 Mr. Archbold has stated may be taken as correct, and does not include the Tide Water business, is the table of percentages of business done by the Standard Oil and read by

Mr. Archbold into the record in his cross-examination, being the business from 1894 to 1898, inclusive.

Mr. ROSENTHAL. That is all right.

(A recess was here taken until 2 o'clock p. m.)

13214 HENRY M. TILFORD, recalled, testified as follows:

Direct examination by Mr. ROSENTHAL:

Q. Your full name, please?—A. Henry M. Tilford.

Q. Are you president of the Standard Oil Company of California?—A. Yes, sir.

Q. How long have you been president of that company?—A. Since 1906 it has been known under that name.

Q. The Standard Oil Company of California under that name has been in existence how long?—A. Since July, 1906.

Q. What was the company which preceded the Standard Oil Company of California in that California field?—A. The Pacific Coast Oil Company.

Q. Were you connected with that company?—A. Yes, sir.

Q. For how long?—A. Since the fall of 1900.

Q. And were you also president of the Pacific Coast Oil Company?—A. Yes, sir.

Q. Are you familiar with the purchase of the Pacific Coast Oil Company by Standard Oil interests?—A. Yes, sir.

Q. When did that take place?—A. In the fall of 1900.

Q. What, then, was the Pacific Coast Oil Company?—A. Do you mean what it consisted of?

Q. Yes. First, generally, what was it?—A. It was producing a small quantity of oil and refining as well.

Q. Prior to the purchase of the Pacific Coast Oil Company in 1900 had the Standard Oil interests been in the California field?—A. As merchandisers.

13215 Q. Through what company?—A. Standard Oil Company, incorporated under the laws of Iowa.

Q. What was commonly known as the Standard Oil Company of Iowa?—A. Yes, sir.

Q. And how long were you connected with the Standard Oil Company of Iowa?—A. From 1887.

Q. Doing what?—A. With an office in New York, in charge of their merchandising.

Q. What did that company do?—A. It bought their supplies and sold them to the trade on the Pacific coast.

Q. And did that take you to the Pacific coast in the management and the conduct of that business?—A. I went there from time to time.

Q. When you first became connected with the Standard Oil Company of Iowa, in 1887, where on the Pacific coast were the marketing stations of that company? [Handing paper to the witness.]—A. At

San Francisco, Los Angeles, Sacramento, San Diego, Portland, San Jose, Oakland, Stockton, Tacoma, and Seattle.

Q. Were those in 1887 all of the marketing stations of the Standard Oil Company of Iowa on the Pacific coast?—A. Yes, sir.

Q. In that same territory how many marketing stations has now the Standard Oil Company of California?—A. 86 in operation.

Q. And by whom were these 86 stations established?—A. They were established under my direction. They were established by the Standard Oil Company of Iowa.

Q. Did you have to do with that?—A. I was consulted
13216 every time a station was established.

Q. About what was the cost of each of those 86 stations so established?—A. The smaller stations varied from $1,000 to $20,000; the larger stations more.

Q. And why were those 86 stations established, instead of limiting yourselves to the cities that you first named?—A. In order to extend the bulk deliveries and supply the trade with more regularity; also on account of the economies.

Q. In your territory out there have you maintained any policy whatever with respect to the location of your bulk stations?—A. We would locate one wherever we thought the volume of business would warrant our doing so.

Q. What was the Continental Oil Company?—A. It was a merchandising company doing business in the Rocky Mountain district.

Q. Part of what organization?—A. The Standard Oil Company.

Q. And were you connected with the Continental?—A. Yes, sir.

Q. In what capacity?—A. I had the supervision of the merchandising business.

Q. That was a marketing company, was it, doing business in the Rocky Mountain territory?—A. Yes, sir.

Q. In 1887 how many marketing stations did the Continental have in Colorado, Montana, New Mexico, Wyoming, and Utah?—A. They had 30 stations.

Q. How many are there now in that same territory?—A. 138.

Q. And who established these additional 108 stations; who
13217 created them?—A. They were created by the Continental Oil Company, under my supervision.

Q. What has been the reason that you have established bulk stations through that territory? What economies, if any, have been effected as the result thereof?—A. Saving in freight and, to a great extent, the cost of the package and the commissions such as the jobbers make. Those were the principal savings.

Q. What effect would you say that that has had upon the price to the retailer, Mr. Tilford?—A. It has had the effect of reducing the price to him.

Q. Why?—A. It enabled us to sell to them cheaper than the goods cost them before, as they had to buy them from the jobber and pay the local freight charge from the point from which the jobber shipped his goods, or sold them.

Q. At the time that the Pacific Coast Oil Company was purchased in 1900 do you remember what was paid for it?—A. I think $761,000.

Q. And what were its properties?—A. It had about 5,000 acres of land which was supposed to be good for producing purposes; a small refinery; on eight acres of land at Ilameda, California, a small pipe line, about 40 miles long, and a small bulk steamer.

Q. Where was its refinery?—A. At Alameda, California.

Q. In what part of California is that?—A. That is near Oakland, adjoining Oakland, California; just across the bay from San Francisco.

Q. And what was the capacity of the refinery?—A. At the time the purchase was made they were running 260 barrels of crude oil a day.

13218 Q. What was the location of that refinery at Alameda with respect to its being a deep-water seaport?—A. It could not be reached by deep-sea-going vessels; it was shallow water alongside of it.

Q. What relation, if any, did that have to the possibility of the expansion of that refinery?—A. It would have been impossible to make any arrangement to either load or unload any vessel of any capacity at that works at Alameda.

Q. Where do you say the pipe line ran?—A. It ran from near Newhall to Venturia. That is on the Pacific Coast.

Q. Do you mean that it ran from the oil-producing field?—A. The oil-producing field to the coast; a small pipe line.

Q. Did it run to the refinery at Alameda?—A. No, sir; to Venturia.

Q. How far was Venturia from Alameda?—A. Two or three hundred miles, I think.

Q. So there wasn't any connection between the oil-producing field by pipe line and the refinery?—A. None whatever.

Q. That pipe line you say was 30 or 40 miles long?—A. About 40 miles long.

Q. Now, in addition to the refinery that was running about 260 barrels a day, and this 30 or 40 mile pipe line, what else did the Pacific Coast Oil Company have?—A. It had a small bulk steamer, about 5,000 barrels capacity, and a small refinery situated on eight acres of land in Alameda.

Q. How was the oil gotten from the pipe line to the refinery?—A. It was carried by bulk boat from Venturia to Oakland and there transferred by pipe line about a mile long to the refinery.

13219 Q. In addition to that, the Pacific Coast Oil Company had certain producing properties, had they?—A. It had 5,000 acres of land.

Q. 5,000 acres of land?—A. Yes.

Q. Was that land at that time producing petroleum?—A. 260 barrels a day.

Q. That is where all of the oil came from that was refined in the Alameda refinery?—A. Yes, sir.

Q. What relation in point of time, if any, did that purchase have with the opening of the California oil fields?—A. It was shortly after the purchase they commenced to develop to any great extent.

Q. The California fields?—A. The California fields.

Q. And where are those California oil fields located?—A. In different sections of California. Do you want me to name them?

Q. Yes, name them, please.—A. The principal producing fields are what is known as Coalinga field, the Kern River field, Santa Maria, the Whittier and Fullerton field, and also Los Angeles.

Q. Those fields, then, were opened up and their development began subsequent to 1900, did it?—A. Yes, sir; that is, to a large extent.

Q. At the time that the Standard Oil interests purchased the Pacific Coast Oil Company, was all of the capital stock of the Pacific Coast Company and all of its properties purchased?—A. The capital stock of the company was purchased. That carried with it all its property.

Q. After the opening of these newly discovered fields, what
13220 did the Standard Oil interests there then do? First, with respect to the location of any other refinery than that at Alameda.—A. We concluded that there was no room for expansion at Alameda. It was necessary to find another location where a refinery could be built that could be reached by deep-sea-going vessels. We purchased property at Richmond, California.

Q. Where is that?—A. That is on San Francisco Bay, about eight or ten miles from San Francisco, across the bay from San Francisco.

Q. And with respect to its being a deep-water seaport?—A. Where large vessels could load and unload.

Q. Well, what did you do at Richmond?—A. There we proceeded to erect a refinery.

Q. Of what capacity?—A. To-day it can run from 28,000 to 30,000 barrels of crude oil a day.

Q. What did you do with the Alameda refinery?—A. After the Richmond refinery was in running order, the material was removed to the Richmond works, utilized the portion of it that we could, and the other, junk.

Q. About what date was it that you began the construction of the Richmond refinery?—A. Some time in 1901.

Q. What about the pipe lines connecting the Richmond refinery with the oil fields?—A. A pipe line was built from the Kern River and Coalinga fields to connect with the Richmond refinery.

Q. How long a pipe line was that?—A. It was about between 350 and 400 miles.

Q. Who built that pipe line in California?—A. The Pacific Coast Oil Company.

Q. When?—A. It was completed in 1903.

13221 Q. When was it begun?—A. Either a year or a year and a half before that.

Q. But at the time that it was constructed all of the Pacific Coast Oil Company was the property of Standard Oil interests?—A. Yes, sir.

Q. That had theretofore been acquired. What has become of the little 30 or 40 miles of pipe line that the old Pacific Coast Oil Company had from the field to Venturia?—A. It is still in use, transporting; about 160 to 175 barrels a day are now being produced in that same field.

Q. Has it any connection with or relation to the 350 or 360 miles of pipe constructed by you in 1902 and 1903?—A. None, whatever. It is in a different section of California.

Q. What do you do with the oil that runs through that pipe?—A. It is transported by boat from Venturia to the Richmond refinery, and there run in the refinery.

Q. What do you say the run is on that through that line?—A. To-day?

Q. Yes.—A. From 160 to 175 barrels a day.

Q. Do you remember about what the total production in California was at the time that you bought the Pacific Coast Oil Company?—A. About 4,000,000 barrels, I think.

Q. 4,000,000 barrels what?—A. Per year. I can give you the exact amount.

Q. And what is it to-day, Mr. Tilford?—A. I will give it to you accurately. It is 4,329,950.

Q. And what is the total annual production in California now?—A. In 1907, estimated, 40,085,000 barrels.

13222 Q. So it has increased tenfold within the past six or seven years?—A. Yes, sir.

Q. Have you any other refinery in California besides the refinery at Richmond?—A. No, sir.

Q. Any other pipe lines besides those you have named?—A. We have one from the Santa Maria field, about 40 miles long, that runs to Port San Luis.

Q. Who built that line?—A. The Pacific Coast Oil Company.

Q. When?—A. About 1904 or '5, I don't know which.

Q. Any other lines?—A. We have a line running from McKittrick to Waite, which is the beginning of the principal line—the main line.

Q. Who built that line?—A. The Standard Oil Company of California.

Q. When?—A. About a year to a year and a half ago.

Q. Any others?—A. No; those are all the principal ones.

Q. So that the refinery at Richmond, with its 28 to 30 thousand barrels a day capacity, and all of the pipe lines in California, excepting the 30 or 40 miles that the Pacific Coast Company originally had, terminating at Venturia, were constructed by either the Pacific Coast Oil Company, after its purchase by the Standard, or by the Standard Oil Company of California, since 1906?—A. Yes, sir.

Q. Prior to the purchase of the Pacific Coast Oil Company by Standard interests had you any relation with that company, so far as purchasing its oil was concerned?—A. We were purchasing their refined oil.

Q. About how much?—A. 20,000 barrels a year.

13223 Q. What relation did that amount have to the total production of the Pacific Coast Oil Company at that time?—A. I think that was their total production.

Q. What company had been purchasing that oil? The Standard of Iowa?—A. The Standard of Iowa.

Q. Was that a marketable oil? Could it be sold for illuminating oil?—A. We did not consider it so. It had to be mixed with eastern oil.

Q. Tell us something about that, please. What did you do?—A. We mixed 30 per cent of the California refined oil with 70 per cent of eastern oil, to make it of a quality which we considered could be used for illuminating purposes.

Q. What do you mean by eastern oil?—A. Oil that the Standard Oil Company of Iowa was purchasing from refineries at Chicago and elsewhere.

Q. And mixing 70 per cent of that California oil with 30 per cent of the eastern oil, what was the result?—A. It was 70 per cent eastern oil with 30 per cent of California oil.

Q. What was the result?—A. It gave an oil which we could dispose of.

Q. Do I understand, then, that the California crude, when refined, at that time, prior to 1900, did not give you a marketable illuminating oil?—A. It was not an oil that we could sell.

Q. What was the trouble with the oil? What was its imperfection, if any?—A. I would call it a free burner. It would flow to the flame so fast that the flame could not consume the oil, and

13224 make it smoke, and the slightest draft, or moving of the lamp, would send out a volume of smoke.

Q. Have you caused to be prepared a table showing the crude oil purchased by the Standard Oil Company in the State of California in the years 1901 to 1907, inclusive, and the total production in the California field from 1900 to 1907, inclusive, and the crude oil produced by the Pacific Coast Oil Company and the Standard Oil Company from 1900 to 1907?—A. Yes, sir, with the exception that instead of being for the year 1901 it is for the last six months of 1901.

Paper marked Defendants' Exhibit 284.

Q. Is that the exhibit which I have just had marked Defendants' Exhibit 284?—A. Yes, sir.

Q. That has been carefully prepared, has it—accurately prepared?—A. I have a carbon copy.

Mr. ROSENTHAL. I offer in evidence Defendants' Exhibit 284.

Q. I notice that the production in 1900 was 4,329,950; in 1901, 7,710,315; in 1902, 14,000,000 (without paying attention to the hundred thousands); 1903, 24,000,000; 1904, 29,000,000; 1905, 34,000,000; 1906, 32,000,000; and 1907, 40,000,000. That is correct, is it?—A. Yes, sir.

Q. When these new fields were discovered and this large flow of oil began in 1901 and 1902, what did the Pacific Coast Oil Company

do with respect to the manufacture of that oil into a marketable product?—A. It started to build a refinery at Richmond, and
13225 built a pipe line from the producing field to Richmond, with the idea of utilizing a portion of it in making different petroleum products.

Q. Yes, but what did you do in connection with manufacturing improvement? Do you know what the Starke process was?—A. We had men from different sections of the country that we sent out to California and thoroughly tested the crude oils, and eventually we were able to make an oil which we considered merchantable.

Q. Who was Eric A. Starke?—A. A chemist employed by the Pacific Coast Oil Company.

Q. When employed?—A. He was in their employ when we acquired the stock of the company.

Q. Did you retain him?—A. He is still in the employ of the Standard Oil Company.

Q. Did he succeed in effecting any improvements?—A. He did.

Q. In connection with the manufacture of California crude oil into refined oil?—A. He did.

Q. In what way, and what effect did that have upon the product?—A. It improved the burning quality of the illuminating oil.

Q. To what extent?—A. Made it a merchantable article, which it was not before.

Q. Do you mean that it was made a merchantable article so that it could be used without uniting it with eastern oils?—A. Yes, sir; it could be used for all purposes which illuminating oil is, such as burning in lamps, stoves, and heaters.

Q. Theretofore, before the introduction of the Starke process and its utilization by the Standard Oil interests there (the Pacific Coast Oil Company), this California crude had to be united with
13226 the eastern oil in the proportion of 30 of California oil to 70 of eastern oil, in order to get a marketable oil, I understand you to say?—A. Not the crude oil. The refined oil, which was made from the California crude, had to be 30 per cent of California refined oil mixed with 70 per cent of eastern refined oil.

Q. But after the development of the Starke process you were able to manufacture the refined oil from the California crude without any mixture at all with eastern oil?—A. Yes, sir.

Q. And are you doing that now?—A. We are doing it to-day.

Q. What relation did those improvements have to the extension of the business there?—A. It resulted in all the Pacific coast trade being supplied with oil manufactured from California crude oil, while before the oil had to be shipped from the East.

Q. That Starke process was a patented process, was it?—A. It was a patented process; yes, sir.

Q. Owned by whom—the Standard Oil Company of California?—A. Owned by the Standard Oil Company of California.

Q. How, then, does the refined oil which the Standard Oil Company of California now manufactures under the Starke process com-

pare in quality with the refined oil manufactured by competitors in California?—A. We consider it a very much superior oil to that manufactured by other refineries in California.

Q. I understand you to say that the Pacific Coast Oil Company was purchased in 1901 for $761,000. Do you remember what the net assets of the Standard Oil Company of California were on December 31, 1906? (Handing witness a paper.)—A. The net assets of the Standard Oil Company of California on December 31, 1906, were $21,329,952.30.

13227 Q. Made up of what?—A. Do you want the details of it?

Q. Yes, please.—A. Marketing plant, merchandising plant, manufacturing plant, producing plant, pipe lines, including tankage connected with the pipe lines, floating equipment, stable equipment, and other assets; stocks of oils.

Q. What do you mean by "floating equipment?"—A. Boats, steamers, and barges.

Q. I notice that you have here "Other assets, $9,303,054.70." Does that largely consist of crude oil in storage?—A. Yes, sir; stocks.

Q. So that plant has been developed in the last seven years from a plant of the value of $761,000 to a plant of the value of $21,000,000, has it?—A. It has.

Q. Who has done that?—A. The Standard Oil Company.

Q. Will you turn to defendants' Exhibit 284, please? Out of a total production of 40,000,000 in the State of California in 1907 how much, including its own production, was taken by the Standard Oil of California?—A. 9,173,166 barrels of crude oil.

Q. Between one-fourth and one-fifth?—A. Yes.

Q. When you purchased the Pacific Coast Oil Company in 1900 did that company have any export business?—A. No, sir.

Q. What have you done in the development of the export business since your original purchase of the Pacific?—A. After we found we could make a satisfactory burning oil we commenced to sell oil for export, and last year we sold one million and, I think, a little over a hundred thousand barrels of refined oil for export.

Q. Where is that oil sold? In the first place, for whom
13228 does the Standard Oil Company of California sell it in the first instance?—A. They sell it to the Standard Oil Company of New York.

Q. Where does the Standard Oil Company of New York sell it—to the Orient?—A. It is shipped to the Far East—China and Japan. There has some of it gone to India, too.

Q. That export trade has been entirely developed since your purchase of the Pacific Coast Oil Company?—A. Yes, sir.

Q. Have you caused to be prepared a statement showing the development, year by year, from 1902 to 1907, of the export business of the Standard Oil Company of California and its predecessor, the Pacific?—A. I have.

Q. Is that accurately shown in Defendants' Exhibit 285?—A. Yes, sir.

Mr. ROSENTHAL. I offer in evidence Defendants' Exhibit 285.

Q. Will you read into the record that annual development from year to year?—A. Export and domestic?

Q. Yes, sir.—A. Export, refined oil, in the year 1904, 61,342 barrels; 1905, 271,900 barrels; 1906, 878,874 barrels; 1907, 1,161,162 barrels. There was manufactured for domestic use in 1902, 40 259 barrels; in 1903, 161,889 barrels; in 1904, 243,471 barrels; in 1905, 359,337 barrels; in 1906, 346,390 barrels; 1907, 444,856 barrels—refined oil.

Q. Was 1902 the first year of export business?—A. 1904, export business.

Q. What was there in 1902?—A. Domestic, for the Pacific Coast trade.

13229 Q. Do you mean the sale of oil along the Pacific Coast outside of the State of California?—A. No, sir; I mean within the State of California. The Richmond refinery commenced manufacturing refined oil in 1902. The first which they manufactured was sold for domestic purposes. It was not until 1904 that they commenced to sell export refined oil.

Q. So that prior to 1902, the oil made was that mixed oil?—A. It was oil made at the Alameda refinery.

Q. In the development of the California field, has the Standard Oil Company of California and the Pacific Coast Oil Company since it has been owned by Standard Oil interests stored any crude oil?—A. Yes, sir.

Q. In large or small quantities?—A. Large quantities.

Q. Have you the figures on that?—A. I have the figures prepared.

Q. (Showing witness paper.) What has been the storage of crude oil since 1902?—A. Shall I give each year?

Q. Yes, sir.—A. The amount of crude oil on storage, December 31st, the end of each year——

Q. What do you mean by the amount of crude oil stored?—A. The amount of crude oil that the Pacific Coast Oil Company and the S. O. Company of California were carrying in storage.

Q. Now give me the figures?—A. December 31, 1902, 2,872,536 barrels; December 31, 1903, 6,061,232 barrels; December 31, 1904, 10,749,703 barrels; December 31, 1905, 14,348,351 barrels; December 31, 1906, 15,060,996 barrels; December 31, 1907, 12,727,656 barrels.

13230 Q. Besides refined oil, does the Standard Oil Company of California also sell naphtha and gasoline?—A. Yes, sir.

Q. How is that sold, by tank wagon?—A. Tank wagon and iron barrels, cans, and cases.

Q. Where is the oil sold, the naphtha and the gasoline?—A. Do you want me to name the States?

Q. What percentage, if you have it, of the total product of the California fields, manufactured by the Richmond refinery, is sold within the State of California? (Handing a paper to the witness.)—A. Do you mean refined oil?

Q. Yes, sir. Take it for the year 1906, for example.—A. I don't understand your question, Mr. Rosenthal.

Q. Let me get at it in another way, then. Have you caused to be prepared a statement for the purpose of showing the percentage of the business done by the Standard Oil Company of California that is intrastate and the percentage of the business done by that company that is interstate?—A. Yes, sir.

Q. All of the oil manufactured by the Standard Oil Company of California is oil that is produced within the State of California, is it not?—A. Yes, sir; all of it.

Q. Piped from one part of California, where produced, to another part of California, where it is manufactured?—A. Or part of it carried in boats from one point in California to the refinery at Richmond, California.

Q. But the large part of it is piped, is it not?—A. The larger portion of it is piped.

Q. After having been so produced in California and so transported in California, it is manufactured in California, is it not?—A. Yes, sir.

13231 Q. What percentage of that manufactured product is sold within the State of California?—A. 100 per cent is sold within the State that is manufactured within the State of California.

Q. Have you caused to be prepared a statement showing the proportion of intra and inter state business done by the Standard Oil Company of California?—A. Yes, sir.

A paper was marked defendants' Exhibit 286.

Q. Is it accurately shown in defendants' Exhibit 286?—A. Yes, sir.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 286.

Q. What does that show, with respect to refined oil, for example?—A. It shows that for the year 1906 of the grand total of all the refined-oil business of the company all except 5.23 per cent was intrastate.

Q. And so it shows with respect to naphtha and gasoline?—A. Yes, sir.

Q. What are the figures there?—A. That intrastate for the year 1906 was all but 9.42 per cent.

Q. Was 1906 a fairly representative year?—A. Yes, sir.

Q. Defendants' Exhibit 286, which I just put in evidence, is a summary which you have made up from another statement, is it not?—A. Yes, sir.

Papers were marked defendants' Exhibits 287 and 287-A.

Q. What are defendants' Exhibits 287 and 287-A?—A. They show the sales of refined oil, naphthas, and gasolines in the different States on the Pacific coast where the Standard Oil Company of California is operating.

13232 Q. Showing how that business is done?—A. Yes, sir.

Q. Take the first column of 287-A. That is for the State of California, is it?—A. Yes, sir.

Q. How is your business done within the State of California?—A. 37.99 per cent is by tank wagon.

Q. That is, 37.99 per cent of the total sales which the Standard Oil Company of California makes within the State of California is sold from tank wagons?—A. Yes, sir.

Q. And is all of that oil oil that was manufactured at the Richmond refinery?—A. Yes, sir; all of it.

Q. How else than by tank wagon?—A. There was 4.69 per cent bulk; that is, principally by tank cars.

Q. By tank cars, within the State of California, from oil produced and manufactured within the State?—A. Yes, and tank-wagon peddlers.

Q. Go ahead.—A. 39.39 per cent in cans and cases.

Q. 39.39 per cent of the total business done by the Standard Oil Company of California within that State, of oil produced and manufactured within the State, is sold by what is known as "can delivery?"—A. Not all of it, sir.

Q. Cans and cases?—A. Not all of it. Included in that is some specialties.

Q. Very well. Then what is the next?—A. 17.93 per cent in barrels and drums.

Q. What next?—A. That is all. The next is the total.

Q. Now, all of that oil, sold either in barrels and drums, cans and cases, bulk delivery, or barrels delivery, is produced in Cali-
13233 fornia and manufactured in California and sold there?—A. With the exception of some small specialties manufactured elsewhere—purchased.

Q. All of the product of the Richmond refinery, however, is not sold within the State of California, is it?—A. No, sir.

Q. You have already told us that about a million barrels or more are sold for export in the Orient and in India, have you not?—A. Yes, sir.

Q. That is sold by the Standard Oil Company of California to the Standard Oil Company of New York, where?—A. F. o. b. the refinery Richmond. These figures simply represent what is known as the domestic trade.

Q. In addition to that sold within the State of California and that sold to the Standard Oil Company of New York for export purposes, does the Standard Oil Company of California sell oil, naphtha, and gasoline, in the other Pacific coast States?—A. Yes, sir.

Q. How does it get to those States?—A. It is shipped out in tank cars or by bulk vessel.

Q. Shipped to whom in those States?—A. It is shipped to the Standard Oil Company of California.

Q. That is, it is both consignor and consignee?—A. Yes, sir.

Q. After it gets to those respective States, what is done with it in the first instance?—A. It is there put in tanks.

Q. Put into what sort of tanks?—A. Iron storage tanks.

Q. For what purpose?—A. There held until it is put in packages afterward, some of it, and some of it is delivered by tank wagons and sold to the trade generally.

Q. Stored in those tanks as a general rule for how long a period before it is ultimately packed and sold or ultimately
13234 delivered and sold?—A. We generally carry a stock sufficient to last us anywhere from thirty to sixty days.

Q. Have you in this same exhibit—286 and 287—given us the percentages for the other Pacific coast States of the various methods of sale and delivery in the same way that you have for California?—A. Yes, sir.

Q. Both as to refined oil and as to naphtha and gasoline?—A. Yes, sir.

Q. And is it accurately done on that exhibit?—A. Yes, sir.

Q. What are those States besides the State of California?—A. Washington, Oregon, Nevada, Arizona, Alaska, the Hawaiian Islands, and Idaho.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits 287 and 287-A.

Q. What became of the Standard Oil Company of Iowa?—A. They disposed of all their plants to the Standard Oil Company of California and are not now doing any business.

Q. When did it do that?—A. In October, 1906.

Q. So all of the stations and all of the property, of whatever character or nature, that the Standard Oil Company of Iowa had in this Pacific coast field was transferred by it to the Standard Oil Company of California in 1906, was it?—A. Yes, sir.

Q. And the Standard Oil Company of Iowa had ceased doing business there?—A. Yes, sir.

Q. As I understood you before, your statement was to the effect that the Pacific Coast Oil Company, prior to 1900, had only done a refining business?—A. They produced some.

Q. I mean they produced and refined, but is was not a
13235 marketing company?—A. They sold what they refined.

Q. But they sold it to the Standard Oil Company of Iowa?—A. They refined oil and naphtha.

Q. I want to call your attention to petitioner's Exhibit 635, an exhibit covering, among other things, the prices of refined oil sold by the Continental Oil Company of Denver, Colorado, which shows a decline in price of from 15 cents on January 1, 1906, to 10 cents on February 7, 1906. Do you remember about that?—A. Yes, sir.

Q. Do you remember why it was that those changes were made?—A. The first change of two cents a gallon was a general reduction throughout the field of 2 cents a gallon, which reduced the price at Denver from 15 to 13 cents; but out in the Rocky Mountains district they only deal in multiples of five, and the merchants were dissatisfied with the margin which they were going to secure if they sold at 15 cents. We therefore reduced the price to 12 cents to satisfy them at Denver. Later on the Anti-trust company, a competitive concern,

commenced to sell oil at Denver at a cut price, and it was necessary for the Continental Oil Company to make a still further reduction in their price, which they did, to 10 cents.

Q. What did the Anti-trust company cut its price to?—A. It sold at 12 cents, I think for 50 gallons at 12 cents, and gave five more gallons free, which made practically a reduction in the price.

Q. Was the cut that was made by the Continental Oil Company at Denver at that time made for the purpose of meeting the cut which had before that time been made by the Anti-trust company?—A. Yes, sir.

13236 Q. Was that the only reason?—A. The only reason.

Q. Has the Continental Oil Company in the conduct of its business there in Colorado, to your knowledge, ever initiated or made a cut below its competitors' prices?—A. No, sir; not to my knowledge.

Q. Who was in the field first—the Continental or the competitor?—A. The Continental Oil Company.

Q. The competitor came in there and endeavored, therefore, to take away business from the Continental, and in the doing of that——A. Cut prices.

Q. ——cut prices; which cut prices were met by the Continental in order to hold its own business?—A. Yes, sir.

Q. Are you familiar with the price situation at Los Angeles, California, as shown by petitioner's Exhibit 635? Has that been called to your attention?—A. It has, yes.

Q. It appears from that exhibit that, beginning in July, 1902, the Pacific Coast Oil Company sold at a minus margin in Los Angeles ranging from .41 in 1902 to 3.47 in 1905, and continuing at from 2 to 3.47 from November, 1903, throughout the years 1904, 1905, and 1906, whereas the margins in the other Pacific Coast towns for the corresponding periods showed plus margins averaging from 2.50 upwards. Can you explain that situation, Mr. Tilford?—A. The competitors at Los Angeles cut under the prices from time to time which the S. O. Company of Iowa were selling there oil at, and they found it necessary to reduce their selling prices in order to hold their trade. A reduction was gradually made to the lower price that you speak of.

13237 Q. Who were these competitors in Los Angeles?—A. There were about eight or ten of them there.

Q. Do you remember them by name?—A. I can not call them without the——

Q. The Union Consolidated Refining Company?—A. Yes, sir. I had a memorandum made up of the names.

Q. The British California Oil Company?—A. Yes, sir.

Q. Southern Refining Company?—A. Yes, sir.

Q. Asphaltum & Oil Refining Company?—A. Yes, sir.

Q. Atlas Refining Company?—A. Yes, sir.

Q. Now, what is the base of the California crude oil?—A. It is an asphaltum base.

Q. And just what do you mean by that?—A. Well, crude oil in Pennsylvania is a paraffine base, and California oil has an entirely different crude. By the asphaltum base I mean it is suitable for making asphalt.

Q. These companies that I have just named—competitors of yours at Los Angeles—what was their principal industry?—A. Making asphalt.

Q. Out of California crude oil?—A. Out of California crude oil; yes, sir.

Q. But in the making of the asphalt out of the California crude oil what other products were procured from the crude by these competing companies?—A. They made refined oil, some engine distillate, and some gasoline, principally.

Q. Is it, or is it not, true that refined oil and the distillates as manufactured by these competing companies at Los Angeles were,
13238 with respect to the business of those companies, their by-products, while asphaltum was their main product?—A. Yes, sir.

Q. What effect did that condition have upon the prices of refined oil and distillate in the Los Angeles field?—A. The refined oil and distillate being a by-product, they sold it——

Q. Being a by-product of these competing companies, you mean?—A. Yes, sir; being with the Los Angeles refiners a by-product, they sold it for whatever they could get for it, to get rid of it.

Q. Were those refineries I have just named located at Los Angeles or in the immediate vicinity?—A. In the immediate vicinity of Los Angeles.

Q. So, that the refined oil and the distillate being for those companies merely a by-product, and asphaltum being their principal product, that induced them, as I understand you, to sell their refined oil on the Los Angeles market for anything they could get for it?—A. Yes, sir.

Q. What effect did that have upon prices?—A. It gradually reduced the prices.

Q. Did the Standard Oil Company of Iowa have any business there in Los Angeles?—A. They had considerable business there. They had been there for a number of years.

Q. And in order to hold that business at Los Angeles against that kind of competition, what did the Standard Oil Company of Iowa do?—A. It was necessary for them to reduce their prices.

Q. Yes. In order to hold their trade.—A. In order to hold their trade.

Q. Even to the extent of selling their refined oil products
13239 at a loss?—A. Yes, sir.

Q. How did the prices made by the Standard Oil Company of Iowa at Los Angeles—the Standard Oil interests—in the sale of products at Los Angeles—refined oil—compare with the prices of these competitors whom I have named?—A. Our prices were higher in a majority of the cases.

Q. Were they ever lower?—A. No; never lower.

Q. (Handing witness paper). The Continental Oil Company does business in what States?—A. In Colorado, New Mexico, Wyoming, Utah, Idaho, and Montana.

Q. Will you give us the population as shown by Rand & McNally of these respective States in the year 1906?—A. Colorado, 615,570; New Mexico, 216,328; Wyoming, 103,673; Utah, 316,331; Idaho, 273,269; Montana, 303,575.

Q. Colorado is a mountainous State, is it not?—A. Yes, sir.

Q. Practically throughout the entire confines of that State it is mountainous, is it not?—A. Mountainous; it is.

Q. What is the number of square miles in the State of Colorado?—A. 103,645.

Q. With a population of 615,570?—A. Yes, sir.

Q. And with a square mileage there of 103,645?—A. Yes, sir.

Q. I would like to institute a comparison here, by way of illustration, between Colorado and Ohio. What is the number of square miles in the State of Ohio?—A. 40,760.

Q. 103,000 in Colorado and 40,000 in Ohio?—A. Yes, sir.

Q. The population of Colorado, with 103,000 square miles, is 615,000?—A. Yes.

13240 Q. What is the population of Ohio, with 40,000 square miles?—A. About 4,448,677.

Q. Now, what is the population of Wyoming?—A. 103,673.

Q. And of the State of New York?—A. The population is 8,067,308.

Q. Wyoming with a population of 103,000 has how many thousand square miles?—A. 97,575.

Q. New York with a population of over eight million, has how many thousand square miles?—A. 47,620.

Q. New York, then, has less than one-half of the number of square miles that Wyoming has?—A. Yes, sir.

Q. That is correct, isn't it?—A. Yes, sir.

Q. New Mexico has how much of a population?—A. 216,328.

Q. As compared with Pennsylvania?—A. Pennsylvania, 6,302,115.

Q. What is the number of square miles in the state of New Mexico?—A. The Territory of New Mexico?

Q. In the Territory of New Mexico.—A. 122,460 miles.

Q. And in Pennsylvania?—A. 44,985 miles.

Q. So that Pennsylvania has a population of over 6,000,000, as compared with New Mexico's 216,000, but has a mileage of only about one-third of what New Mexico has?—A. Yes, sir.

Q. Now, Standard Oil interests do business in all of those States that I have compared in that way, do they not?—A. Yes, sir.

Q. Is it more difficult to do business in those mountainous
13241 States, with that tremendous territory and that small population, than in these thickly settled eastern States?—A. It is. The population is more scattered and far apart in the mountainous section.

Q. A greater distance between stations and larger territory covered by each station?—A. Yes, sir.

Q. What relation has that situation to the question of prices in those States in the far west as compared with prices in the thickly populated States of the East?—A. Owing to the sparsely settled condition of the section of the country, the prices on all commodities range much higher than they do in thickly populated sections of the country.

Q. The range of prices in the thinly populated States of the Rocky Mountain region is much wider, is it not, than the range of prices in the thickly populated eastern States.—A. Yes, sir; on all commodities.

Q. And how about the range of profits on all commodities, including oil?—A. The profits are greater.

Q. Where?—A. In the sparsely settled sections.

Q. Why? Because of those general conditions making it harder to do business?—A. Harder to do business, and the uncertainties owing to the majority of them being mining towns.

Q. What has that got to do with it—the fact that there are mining towns there?—A. It is uncertain how long a town will remain at any one point. The equipment would have to be removed.

Q. In that connection of showing the uncertainty of doing business in these mining regions, have you made up a list of stations that were established, operated and thereafter abandoned by reason
13242 of the abandonment of the mining towns by their population?—A. Yes, sir.

Paper marked defendants' Exhibit 288.

Q. Is that shown in defendants' Exhibit 288?—A. Yes, sir.

Mr. ROSENTHAL. I offer defendants' Exhibit 288 in evidence.

Q. Is there anything to account for lower prices at Las Cruces, New Mexico, than exist at other New Mexican points, Mr. Tilford?—A. Yes, sir.

Q. Explain that, will you please?—A. The rates of freight from El Paso, Texas, to Las Cruces are practically the same on less than car lots as they are on car lots, and the El Paso merchants handling Texas oil would quote that grade at low prices based on these low rates of freight; and it is necessary, in order to hold their trade, for the Continental Oil Company to make these lower prices.

Cross-examination by Mr. KELLOGG:

Q. Mr. Tilford, the Continental Oil Company does business in Colorado, New Mexico, Utah, Idaho, Wyoming, and Montana exclusively, doesn't it?—A. Yes, sir.

Q. No other place?—A. That is all.

Q. So all its business is in those States?—A. What is known as the Rocky Mountain States.

Q. And it is exclusively a marketing business, isn't it?—A. Yes, sir.

Q. Now, you say the prices are higher in those States by reason of the risk of the business?—A. On account of the sparsely settled section of the country and the difficulty of handling.

13243 Q. Has not the Continental Oil Company been one of your most profitable companies?—A. I can not say that.

Q. Did it not in 1899 earn 156.7 per cent on its capital stock?—A. I haven't the figures.

Mr. ROSENTHAL. What has the capital stock got to do with the capital invested in the business?

Mr. KELLOGG. Well, we will see. That is all the money that was ever invested in this business.

Q. Will you look and see the rates of dividends on the capital stock of the Continental Oil Company for each year from 1899 down to the present time—the rate of profit, I mean [handing paper to the witness].—A. Which? Is this it [indicating on paper]?

Q. Yes, sir; each year.—A. Yes, sir.

Q. What is it?—A. 1899, those figures show 156.7.

Q. That is 159 per cent, isn't it?—A. 156.

Q. Well, 156 per cent that is, isn't it?—A. I assume so; I don't know what that is.

Q. That is correct isn't it?—A. I don't know.

Q. Your companies furnished the figures in this case, didn't they?—A. Well, I don't remember that figure.

Q. I will show you the original exhibit and see if you remember that, then. What is the next year?—A. 119.3.

Q. Never mind the decimal; read just the principal per cent.—A. 1901, 136; 1902, 169; 1903, 193; 1904, 173; 1905, 178; 1906, 191.

Mr. ROSENTHAL. What is the capital stock shown on there?—A. There is no capital stock shown.

13244 Q. What is the capital stock of that Continental Oil Company?—A. The capital stock is $300,000; but there is a great deal more invested than that.

Q. Where did you get the additional investment? From profits, didn't you?—A. I assume so.

Q. So that your original capital paid in was $300,000?—A. I beg pardon?

Q. Your original capital paid in was $300,000? That is all the original capital there ever was paid in, isn't it?—A. That is all I know of.

Q. The balance in your surplus has come from profits, hasn't it?—A. I assume so.

Q. And you earned during these years the rate of profit on your capital stock named there, didn't you?—A. If those figures are correct, yes.

Q. So it has been a pretty profitable company, hasn't it?—A. I assume so; yes, sir.

Q. The losses from removing stations were charged off from year to year, weren't they?—A. I assume so.

Q. Your net assets were made up of your original investment and the profits that you have added every year, were they not?—A. I assume so.

Q. Well, now, your rate of profit on your net assets is from 33 to 44 per cent per annum, is it not?—A. If those figures are correct.

Q. Well, look and see. (Handing book to witness.)

Mr. ROSENTHAL. I should say that would be a very modest Rocky Mountain profit—32 to 44 per cent.

13245 Mr. KELLOGG. Well, we will see about that.

A. Those are the figures you have here.

Q. That is a profit on profit?

Mr. ROSENTHAL. Why, of course. Did you ever know of an expanding business that did not make a profit on its original capital together with the surplus that went into the business? That doesn't present an extraordinary situation by any means.

Q. The Continental Oil Company does a very profitable business, doesn't it?—A. They make money; yes, sir.

Q. Its profit per gallon on oil has been very much larger than in Ohio or in New York or any State where there has been any competition, hasn't it?—A. I don't pretend to say.

Q. You don't say. Well, let us see about that. What percentage of the business does the Continental Oil Company do in the States where it does business?—A. I haven't those figures, sir.

Q. It is over 98 per cent, isn't it—over 99 per cent?—A. I shouldn't think so.

Q. Well, let us see about that. You furnished some figures on that, didn't you?

Mr. ROSENTHAL. I don't think so.

Mr. KELLOGG. Oh, yes, you did.

Q. Is it not a fact that in 1899 the Continental Oil Company did 99.8 per cent of the marketing business of refined oil in those States?—A. I can not say.

Q. Is it not a fact that in 1906 it did 98.9 per cent?—A. I don't remember those figures.

Q. Well, isn't it about that?—A. I couldn't say what it was.

13246 Q. The competitor doesn't cut much figure in that territory, does he?—A. There are some competitors there.

Q. Well, now; who are they?—A. Well, in New Mexico there were competitors from El Paso, Texas.

Q. At what place did they sell oil?—A. I can not call the names now. Los Cruces was one of them.

Q. Who were the competitors in Colorado?—A. The Anti-Trust Company.

Q. That is a new company, is it not?—A. They were there in 1906.

Q. When did it go in there?—A. I don't remember the exact year it went there.

Q. Can you name anybody else?—A. I don't remember any of them now, sir.

Q. You get most of your supply for these States from the refineries there in Colorado, don't you?—A. Yes, sir.

Q. And they sell all their supply to you?—A. Refined oil.

Q. Yes. That is true, isn't it?—A. I assume they do.

Q. They do not market any refined oil?—A. No.

Q. So, practically, there is not one percent of the business done by any outsiders in those four States, is there?

Mr. ROSENTHAL. He has been interrogated about that and he said he didn't know.

A. I shouldn't say so. I don't know. The amount of competition is made up on the figures of the shipments which the Continental Oil Company heard of. There might have been other shipments there that they knew nothing about.

13247 Q. You haven't heard of much competition in those States, have you, Mr. Tilford?—A. No, sir.

Q. No; that is what I thought.

Mr. ROSENTHAL. We are of the rugged pioneers out there.

Mr. KELLOGG. There were others, but they weren't rugged enough to last.

Mr. ROSENTHAL. They always fall into the easy places.

Q. Now, as a matter of fact, for 1904 the Continental Oil Company's profit on refined oil for all those States was $2.01 a barrel, or 4 cents a gallon, wasn't it, over and above all expenses—it's net profit?—A. If those figures show that, yes.

Q. That is about it, isn't it?—A. I don't remember what they were.

Q. And for the entire State of Ohio only .72 of one cent?—A. I don't know anything about it.

Q. 72 cents a barrel, or about 1.44 cents?—A. I don't know anything about that.

Q. Well, what is your recollection?

Mr. ROSENTHAL. You have got all of those figures that we gave you a year ago.

Q. Why do you say that the Continental Oil Company should make four times as much—three or four times as much—on oil in those territories as it should in Ohio or New York?—A. The Continental Oil Company were not making any more profit on the oil they sold than other merchants made on other merchandise they sold in the same locality.

Q. I know; but you were justifying the price on the ground that it was a mountainous country. Is there any other reason that

13248 you can think of why they should make three or four times as much?

Mr. ROSENTHAL. I object to that. The justification of price by Mr. Tilford upon his direct examination was put upon a much broader basis, and there were many other grounds than the mere ground that it was a mountainous country.

Q. Do you know anything about the profits on other merchandise in that country?—A. I have from time to time asked them what their profits were and I was told that they were no higher than what we were getting.

Q. Well, what, for instance, did you inquire into?—A. I would ask about flour and sugar.

Q. Do you know what their profits are on flour and sugar?—A. Not at the present time; no, sir.

Q. You have testified that during the year 1906 you reduced the price of refined oil in Denver from 15 to 10 cents. That is correct, is it?—A. Three reductions.

Q. Well, it got down from 15 to 10 cents?—A. Yes, sir.

Q. And that during a part of the time you were selling it at a loss?—A. I don't——

Mr. ROSENTHAL. He hasn't so testified.

Q. Well, is that correct?—A. I can't tell.

Q. Well, I will show you the exhibit produced by your company. (Handing book to the witness.) Those stars indicate loss. Here is Denver, and here is the Denver margin of profit. Follow right along down there. (Indicating on book.)—A. Here is Denver. What period, sir?

Q. Here is your reduction. Now, here are the profits over
13249 here.—A. Oh, I see; yes. There is a star here. I don't remember——

Q. Well, the star means loss.—A. Yes, sir.

Q. Part of that time you were selling oil at a loss, were you?—A. If those figures are correct; yes, sir.

Q. Now, you say that that was by reason of the Anti-Trust Company's competition?—A. Yes, sir.

Q. And that the Anti-Trust Company cut the price. How do you know that?—A. I was so informed by the gentleman in charge of the Continental business at Denver.

Q. By your agent?—A. Yes, sir.

Q. That is, he said the other fellow did it?—A. Yes, sir.

Q. You don't know anything about it personally?—A. No, sir; I do not.

Q. That is usually the case, isn't it, that the other fellow does it?

Mr. ROSENTHAL. Oh, we have shown it was the case in every instance.

Mr. KELLOGG. Oh, certainly.

Mr. ROSENTHAL. We took them up case by case and showed it in every case to be the other fellow.

Q. The Standard Oil Company never cuts prices, I suppose?—A. They make a general reduction.

Q. Do you know that in no instance you cut prices below theirs?—A. I don't know of any instance; no, sir.

Q. Well, do you know that you didn't?—A. I should not say so. Not to my knowledge.

Q. While you were selling oil, then, in Denver, to meet the competition, as you say, of the Anti-Trust Company, at 10 cents,
13250 you were selling it in Santa Fe at 20 cents a gallon, weren't you?—A. I don't remember what it was.

Q. Well, look and see. (Handing book to the witness.) Isn't that right?—A. Santa Fe?

Q. Yes.—A. It shows 20 cents here.

Q. What was the reason of that? Because there was no competition?

Mr. ROSENTHAL. Because there was no cutting, I suppose.

A. That was considered a fair price for that market.

Q. Now, while you were making a loss in Denver in Santa Fe you were making a profit of 4.25 cents a gallon, weren't you; about that?—A. If those are the figures, that is correct.

Q. You say in Los Angeles you reduced the profits to meet the competition of some independent manufacturers at Los Angeles?—A. Yes, sir.

Q. Do you know that they cut the price first or that you cut it first?—A. I was told that they cut the price.

Q. All you know about it is the report made to you?—A. That is all. I was guided by the reports I received from our California people.

Q. Prior to the time that you purchased the Pacific Coast Oil Company the Standard of Iowa was doing business in California, wasn't it?—A. Merchandising; yes.

Q. Merchandising business in California, Washington, Oregon, Nevada, and Arizona?—A. And Alaska.

Q. And Alaska?—A. And the Sandwich Islands.

Q. And the Sandwich Islands; yes. That was the marketing company for that country?—A. Yes, sir.

13251 Q. And with the exception of what you bought of the Pacific Coast Oil Company you shipped your products from Whiting or eastern refineries?—A. Possibly we bought some little refined oil in southern California.

Q. Well, the principal amount of your products was shipped from the East?—A. From the East.

Q. In 1900 you bought the Pacific Coast Oil Company, did you?—A. Yes, sir.

Q. And you paid $761,000 for it?—A. Yes, sir.

Q. Was the property worth that?—A. We considered it was worth it—that valuation.

Q. What other companies were there in California making refined oil at that time?—A. I couldn't say. There was quite a number of other refiners in southern California.

Q. Well, the Union was a large concern, wasn't it?—A. Yes; the Union Oil Company.

Q. Where was its refinery?—A. It had a refinery on San Francisco Bay.

Q. Has it there yet, hasn't it?—A. So I understand; yes.

Q. The Puente Oil Company was another, wasn't it?—A. Southern California.

Q. Yes, sir; those were the principal refineries in that business in California, weren't they?—A. There was a number of other refineries in the vicinity of Los Angeles.

Q. At that time?—A. Yes, sir.

13252 Q. They were small, weren't they?—A. Well, they aggregated considerable.

Q. Well, all together they weren't as big as the Union, were they?—A. I should think they were larger.

Q. No one of them as large?—A. No.

Q. They were small refineries, the balance?—A. Smaller than the Union.

Q. Those three refineries were the three largest in California, weren't they?—A. Which three?

Q. Pacific Coast, the Union, and the Puente.—A. Yes, sir.

Q. In 1900 you bought the Pacific Coast Oil Company?—A. Yes, sir.

Q. How long had you been buying its products?—A. For at least five years we had been buying its refined oil.

Q. All of it?—A. I understood it was all.

Q. How many years had it been doing business there?—A. The company was organized in 1879—incorporated in 1879.

Q. It had been doing business a good many years, then. And the Union Oil Company had been doing business for a number of years?—A. I don't know how long.

Q. In 1904 you made a contract with the Union Oil Company whereby it agreed not to manufacture any more refined oil, didn't you?—A. I don't remember that.

Q. You didn't? Let me show it to you [handing paper to witness].

Mr. ROSENTHAL. Didn't you cross-examine Mr. Tilford about that same subject-matter over and over again in this record?

13253 Mr. KELLOGG. It is my recollection that Mr. Tilford agreed to look that contract up, and either through inadvertence or something else he has never done it. I would like to have him testify to it now.

WITNESS. Do you want me to read this?

Mr. KELLOGG. That is the contract I called your attention to last year.

Mr. ROSENTHAL. And which he testified about at that time.

Mr. KELLOGG. No; he was to look it up; that is my recollection, Mr. Rosenthal. I may be mistaken about that. I think he was to look it up at that time.

Mr. ROSENTHAL. To see if he could get the original

Mr. KELLOGG. To see if he could get the original, or verify the copy. I gave you a copy of it.

Mr. ROSENTHAL. The original was burned in a fire out there.

Mr. KELLOGG. That is right; and I gave you a copy of it, and never got it back. That is the contract of which I believe I gave you a copy.

WITNESS. You didn't give me a copy; no, sir.

Mr. KELLOGG. I was thinking I gave it to you on the stand. Maybe I gave it to Mr. Rosenthal afterward.

WITNESS. Do you want me to read this?

Q. Did you first enter into a contract with the Union Oil Company about March 15, 1899, to sell the Standard of Iowa all its Water [illegible] refined oil?—A. I don't remember any such contract.

Q. Did you from 1899 down to 1904 buy the Water White Oil of the Union Oil Company?—A. I don't remember of buying it.

13254 Q. You were president of the Pacific Coast Oil Company, weren't you?—A. Yes, sir.

Q. And of the Standard Oil of Iowa?—A. Vice-president of the Standard Oil of Iowa.

Q. You had charge of the marketing business out there, didn't you?—A. From New York.

Q. And you have been in New York all of this time, haven't you?—A. Yes, sir.

Q. And it is this business you have been testifying to, isn't it?—A. Yes, sir.

Q. Now, I want to know if you bought all of the refined oil manufactured by the Union Oil Company after March 15, 1899, under a contract, down to February 4, 1904?—A. I do not know of any such contract.

Q. Did you have any contract with them?—A. I do not remember having any contract with them for that.

Q. Did you buy any oil of them?—A. I remember we bought some distillate from them.

Q. Didn't you buy the Water White refined oil, and market it?—A. We might have bought some refined oil, but I have no recollection of it.

Q. Didn't you have another contract, dated February 26, 1901?—A. I don't remember the contract.

Q. Didn't you then make a contract, February 4, 1904, in which you agreed to purchase 150,000 barrels of crude oil per month, of the Union Oil Company, in consideration of which the Union Oil Company agreed not to manufacture any refined oil for the period of two years?—A. I remember we had a contract with the Union

13255 Oil Company to buy some crude oil from them and also to buy some refined oil distillate from them.

Q. Didn't they in that contract agree with you that they would not manufacture any refined oil for the period of two years?—A. I do not remember that, sir.

Q. Look and see if you made that contract.—A. I never saw the original contract, and I could not say whether this is a copy of it or not.

Q. A contract of that size was considerable of a contract, wasn't it?—A. We have made others just as large, for crude oil.

Q. I have no doubt of it; I presume you have; 150,000 barrels a month would be 1,800,000 barrels a year, wouldn't it?—A. Yes, sir; that is, if the figures are right.

Q. Very well. Did you have such a contract as that—and not remember it?

Mr. ROSENTHAL. I object to that. The first question should be whether he remembers having such a contract. The other is entirely speculative—whether if he did have such a contract he would or would not remember it.

A. I remember we had a contract with the Union Oil Company

Q. What was it?—A. It was to take crude oil from them; so much crude oil. They sold so much crude oil to the Pacific Coast Oil Company, and also some refined oil distillates; the quantity I do not remember.

Q. How much crude oil?—A. I do not remember the quantity.

Q. Was it 1,800,000 barrels a year?—A. I do not remember what the quantity was.

Q. Would you remember whether it was 100,000 barels a year or 1,500,000 a year?—A. We had a great many contracts out there, and I could not remember what they were.

13256 Q. You didn't have contracts for 1,800,000 barrels a year, did you?—A. We had; yes, sir; some.

Q. How many? How much did you buy all together in 1904?—A. I would have to look that up.

Q. It appears by the exhibit you just had that in 1904 your total purchases were 9,471,542 barrels, so you didn't have a great many contracts for 1,800,000 a year, did you?—A. We received 9,000,000 barrels.

Q. Now, do you say that you have forgotten the contract by which you bought 1,800,000 barrels a year?—A. I have forgotten the wording of it; yes, sir.

Q. You had such a contract, had you?—A. We had a contract with the Union Oil Company.

Q. I would like to call your attention to a clause in that contract, and see if you recollect that [reading]: "The party of the first part" (that is, the Union Oil Company) "agrees in consideration of the purchase of said crude oil and distillate by the party of the second part, and of the other agreements herein named, to be kept and performed by the party of the second part, that the party of the first part will not engage in the manufacture or sale of any Water White refined petroleum, Prime White, Standard White, or refined petroleum called by any other name, naphtha, benzine, gasoline, or distillate, of a gravity lighter than 58 degrees Baume at a temperature of 60 Fahrenheit, within the county of Contra Costa, State of California, during the term of this agreement." Do you remember that?—A. No, sir; I do not.

Q. Where was their refinery?—A. On San Francisco Bay.

Q. In the county of Contra Costa?—A. I think it is.

13257 Q. So they didn't manufacture any oil anywhere else, did they, except in that one county?—A. They have a refinery at Bakersfield.

Q. When did they build it?—A. I do not know. It has been there a number of years.

Q. It wasn't there in 1904, was it?—A. I think it was.

Q. Was it?—A. I am not sure. I do not know when it was built; I only know they had one at Bakersfield.

Q. Did you enter into that contract?—A. I say we had a contract with the Union Oil Company; the nature of it I do not remember. I do not remember it.

Q. Would you know it if you read it over?—A. No, sir; I would not; it is so long ago.

Q. Why is it that you are so forgetful of this contract? You remember my calling it to your attention a year ago, don't you?—A. Yes, sir.

Mr. ROSENTHAL. He told you he never saw the original of the contract before.

Q. Didn't I ask you to look it up?—A. I understood Mr. Rosenthal would tell me if there was anything he wanted me to look up.

Q. Yes. Now I will tell you I want you to look it up—and you need not rely on Mr. Rosenthal for it. Will you do it?—A. If I can find it; yes, sir.

Q. Will you look it up between now and to-morrow morning?—A. I have got nothing here.

Q. Have you a copy?—A. No, sir.

Q. How do you know you haven't?—A. Because I know what papers I have.

13258 Q. Have you looked to see?—A. I have.

Q. Oh, you have looked, then?—A. I have looked——

Mr. ROSENTHAL. Oh, yes; I asked him, a year ago, and he looked.

Q. Did you send to California to get a copy of it?—A. No, sir.

Q. Why didn't you?—A. Why, waiting to hear from Mr. Rosenthal.

Q. Oh! Well, now, don't wait any longer. If I let you take this copy, will you return it to me in the morning and tell me whether you entered into a contract like that or not?—A. I will tell you whether I remember it or not.

Q. Very well. I wish you would look it up. What books do you keep here of the Pacific Coast Oil Company?—A. Don't keep any.

Q. What records do you keep in your office?—A. Simply keep memoranda.

Q. Have you a memorandum of that contract?—A. No, sir.

Q. Is there any contract in existence?—A. Which—of this?

Q. Yes.—A. I do not know. I think it has expired.

Q. If you were making such a contract, why were you making contracts sewing up all the California refineries so they could not manufacture any refined oil?

Mr. ROSENTHAL. We object to that, upon the ground, first, that there is not any evidence in this record that he ever made any such contract. And I will have to object to the form of the question. That is a new field of industry.

13259 Q. You had contracts with the Puente Oil Company, too, didn't you?—A. We had a couple of contracts, I believe.

Q. What?—A. We had several contracts with the Puente Oil Company.

Q. Prior to 1904, the date of that contract, you say you did have arrangements with the Union Oil Company to buy refined oil of them?—A. I have said I do not remember whether we had or not.

Q. Can you find that out from the books?—A. I have no books here.

Q. You have no books?—A. No, sir.

Mr. ROSENTHAL. Oh, let's take that trip to California. Mr. Kellogg is trying to work up a conspiracy here to get out to California.

Mr. KELLOGG. No; I am trying to prevent going to California.

Mr. ROSENTHAL. January is a beautiful month in California.

Q. During the years since 1899 have the local managers of the Standard of California and the Pacific Coast Oil Company made reports to you?—A. Have the Pacific Coast Oil Company?

Q. Yes.—A. I have received reports since 1900.

Q. That is what I mean. And from the Standard of Iowa before that?—A. Yes, sir.

Q. Those reports would show the total amount of oil they were buying from any other concern, wouldn't they?—A. It would.

Q. You can find out, then, whether from 1900 down to 1904 you were buying a large amount of refined oil from the Union Oil Company of California?

Mr. ROSENTHAL. He has already testified, Mr. Kellogg, that
13260 they were buying crude oil from that company.

Mr. KELLOGG. I am talking about refined oil.

Mr. ROSENTHAL. He has already testified to that.

WITNESS. Refined oil distillate we were buying.

Q. I am not talking about refined oil distillate; I am talking about refined oil—illuminating oil.—A. That would have to come from the California report. I haven't any.

Q. Didn't you get such reports?—A. I may have got them, but I do not keep reports after I have had them some time.

Q. You destroy them, or throw them away?—A. Throw them away?

Q. Do you remember making a contract with the Puente Oil Company?—A. I remember a contract was made by the S. O. Company of Iowa with the Puente Oil Company.

Q. In March, 1898—do you remember that?—A. I do not remember the date.

Q. After the contract ran out it was extended from time to time, wasn't it?

Mr. ROSENTHAL. Haven't you cross-examined him before about all that?

WITNESS. I believe so.

Mr. KELLOGG. I don't remember.

Mr. ROSENTHAL. Yes—the whole thing. As your witness you examined him at great length upon that.

Mr. ROSENTHAL. I suggest that you look over his old testimony. I think you will find that he has gone over that.

(An adjournment was here taken until the morning of Tuesday, December 8, 1908, at 10.30 o'clock.)

13261 ROOM 508 CUSTOM HOUSE,

New York City, Tuesday, December 8, 1908, 10.30 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr Charles B. Morrison. On behalf of the defendants, Mr. John G Milburn, Mr. Moritz Rosenthal, Mr. John S. Miller, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. Douglas Campbell, Mr. W. Cleveland Runyon.

HENRY M. TILFORD, recalled, and his cross-examination resumed, as follows:

By Mr. KELLOGG:

Q. Mr. Tilford, will you let me take that contract?

(Witness hands paper to Mr. Kellogg.)

Paper marked Petitioner's Exhibit 944.

Q. Mr. Tilford, I show you the contract Petitioner's Exhibit 944 which was the contract under discussion last night. Have you looked that contract up to find out whether it is a correct copy of the contract entered into between the Union Oil Company of California and the Pacific Coast Oil Company?—A. I have read that over. I have no copy of the contract and I never saw the original.

Q. Well, did the company enter into that contract?—A. The company had a contract with the Union Oil Company, and something on the lines which are indicated in that. I don't know whether that is the exact wording or not.

13262

Q. Do you think that is a copy of the contract? What is your opinion?—A. I think it is something on the lines of that contract.

Q. Well, do you remember that it was a contract for the purchase of a large amount of oil?—A. That alleged contract is for the purchase of not as much oil as you stated last night.

Q. 150,000 barrels per month?—A. No, sir; it is 150,000 barrels for three months. That is 600,000 barrels a year.

Q. Three months?—A. Yes, sir.

Mr. ROSENTHAL. Counsel for the Government, or his assistant, has had that contract for a year; and the three months' feature of it stands out all over it.

Mr. KELLOGG. Well, I misread it last night. I haven't looked at the contract for a long time.

Q. Well, 600,000 barrels a year?—A. Yes, sir.

Mr. ROSENTHAL. There is some difference between 600,000 a year and 1,800,000 a year.

Q. Well, that is a large contract, isn't it—600,000 barrels a year?—A. We have made quite a number that are larger.

Q. Did you have that contract in existence during the two years from February, 1904?—A. We had a contract with the Union Oil Company about that time.

Q. Did the contract provide that the Union Oil Company would not manufactured refined petroleum, naphtha, benzine, gasoline,

distillate of a gravity lighter than 38 degrees Baumé, at temperature 60 Fahrenheit, within the county of Contra Costa, State of
13263 California?—A. As I said, I never saw the original contract, but I think you may assume that something of that character was in it.

Q. Previous to the contract to which I refer you had other contracts with that company, commencing about 1900 and running down to 1904, for the purchase of their refined oil, had you not?—A. I do not remember those.

Q. You remember the purchase of a large amount of their refined oil, do you not?—A. I don't remember the purchase of any refined oil from them.

Q. You have no recollection of it at all?—A. No, sir. I don't say we didn't purchase refined oil from them; I say I do not remember it.

Q. How is it that you remember so distinctly the purchase of refined oil from the Pacific Coast Oil Company prior to 1899 and do not remember the purchase from the Union Oil Company?

Mr. ROSENTHAL. I object to that. It does not appear yet that there ever was any purchase of refined oil from the Union Oil Company, and your question assumes that there was, and charges him with forgetting something that perchance may never have been in existence.

Q. Please answer the question.

Mr. ROSENTHAL. I do not think that question can be answered, Mr. Kellogg.

Q. Do you remember that you did not buy any of the Union Oil Company?—A. I said I do not remember whether we did or didn't.

Q. You do not remember anything about it?—A. I do not remember anything about it.

13264 Q. You have no recollection at all about it?—A. No, sir.

Q. Now, tell me how it is that you happen to remember with such detail the business of the Pacific Coast Oil Company?

Mr. ROSENTHAL. I object to that. A man remembers because he remembers——

Mr. KELLOGG. Because he wants to, I suppose.

Mr. ROSENTHAL.——and he forgets because he forgets; that is all.

Q. You have been looking up this matter with a view to testifying, have you not?

Mr. ROSENTHAL. What matter?

Mr. KELLOGG. This matter of the California business.

A. I have looked it up to a certain extent; yes, sir.

Q. Why didn't you look up all the facts so you could tell them all?—A. This is the first time that my attention has ever been called to the Union Oil Company's selling refined oil to them.

Q. Didn't I question you about it a year ago, about those contracts for the purchase of oil?—A. I do not remember about refined oil.

Q. Don't you?—A. No.

Q. Can you find out whether you did purchase between 1899 and 1904 the refined product of the Union Oil Company?—A. I would have to ask my California office; I have no records here.

Q. Well, will you do it?—A. If you desire it; yes.

Q. Yes, sir; I desire it.

Mr. KELLOGG. I offer in evidence this contract, Petitioner's Exhibit 944.

13265 WITNESS. Will you give me a memorandum of what you want?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. Which contract do you offer in evidence?

Mr. KELLOGG. Petitioner's Exhibit 944.

Mr. ROSENTHAL. Do you mean that contract with the Union?

Mr. KELLOGG. Yes, sir.

Mr. ROSENTHAL. Or that alleged contract with the Union?

Mr. KELLOGG. Yes, sir.

Mr. ROSENTHAL. I object to it upon the ground that there has not been any proof whatever that it is a contract; it does not purport to be a contract; it only purports upon its face to be an alleged copy of something which no one in this case has testified to whatever. You might just as well put in the first page of one of the New York papers and claim it is proof as to put that in.

Mr. KELLOGG. Well, we will see about that.

Q. You remember my questioning you about this contract a year ago, don't you?—A. Yes, sir.

Q. You were requested then to look it up, were you not?—A. Yes, sir.

Q. You did inquire about it, did you?—A. I looked through my own files.

Q. Did you find out that the original contract had been burned in the fire in California?—A. I had been told that all our contracts in California were destroyed in the fire following the earthquake in 1906.

Q. And you have no doubt that this contract, among others, was destroyed?

13266 Mr. ROSENTHAL. I object to that, upon the ground that it assumes the existence of a contract of which this is an exact copy. There is not any proof of that.

Q. Did you make inquiry for that contract after you were requested to a year ago?—A. I asked in a general way; I asked them for contracts which we had of the different California producers. I was told all the contracts we had were lost in the fire.

Q. You remember my requesting of you information specifically about this contract, don't you?—A. Yes, sir.

Q. Between the Union Oil Company and the Pacific Coast Oil Company?—A. Yes, sir.

Q. For the purchase of crude oil, and containing an agreement that they were not to manufacture refined oil? You remember my questioning you?—A. Yes, sir.

Q. Did you, pursuant to that request, look the matter up to find out if you had such a contract?—A. I looked in my own files.

Q. What inquiries did you make in California?—A. I asked them for copies of contracts which they might have had with producers.

Q. Whom did you ask?—A. I asked the vice-president of the company.

Q. Who is he?—A. Mr. D. T. Scofield.

Q. What information did you get from him?—A. The same as I had received from him before—that practically all the papers of the company had been destroyed in the fire.

13267 Q. Did you ask him for a copy of the contract?—A. I asked him for the original.

Q. Did you ask him for a copy?—A. No, sir.

Q. Did he write you or say anything about having a copy?—A. He did not.

Q. Why didn't you ask him for a copy?—A. I was trying to get the original.

Q. You were furnished at that time with what purported to be a copy of this contract, weren't you—a year ago?—A. No, sir.

Q. Do you say I didn't give you a copy of that contract a year ago?—A. You showed me a copy of it here.

Q. Didn't I give you a copy?—A. No, sir.

Q. Will you take a copy of this and find out whether it is an accurate copy of the contract you entered into?

Mr. ROSENTHAL. Not until you withdraw it as an exhibit in this case. If you are going to put it in upon the theory that it has already been proved, we shall not press the investigation any further, as far as we are concerned.

Mr. KELLOGG. I asked the question a year ago, and the investigation does not seem to have been pressed to any great extent.

Mr. ROSENTHAL. The record does not show that you asked any such question at all a year ago.

Mr. KELLOGG. I can show you the correspondence about it, if you desire.

Q. Will you take a copy of that contract and find out whether that is the contract entered into between those companies?—

13268 A. If you will furnish me a copy of it, I will investigate it.

Mr. KELLOGG. Very well. Mr. Taylor, will you please make a copy of it and deliver it to Mr. Tilford?

Mr. ROSENTHAL. We are entirely willing that you may assume, for the purpose of any further cross-examination that you may wish to make of Mr. Tilford concerning this subject-matter (and for those purposes only), that such contract was entered into.

Mr. KELLOGG. Are you willing to admit that that is a copy of the contract?

Mr. ROSENTHAL. No, sir; I am not willing to admit that it is a copy, because I do not know it, and Mr. Tilford does not know it, and as yet we have not been able to definitely ascertain whether it is or whether it is not. But you may assume, for the purposes of any cross-examination that you may now wish to make of Mr. Tilford concerning any phase of that contract (which, so far as we are concerned, appears to us to be entirely unobjectionable from either a

legal of a business point of view), that such contract was entered into. We would be glad to discuss with you upon cross-examination any alleged objectionable feature of that contract.

Mr. KELLOGG. We will discuss that when we come to argue this case.

Q. I notice you produced an exhibit here (defendants' Exhibit 284) showing the total crude oil production of California, and that out of a total production of 40,085,000 barrels in 1907 the Standard Oil purchases amounted to 9,173,166 barrels; that is correct, is it?—A. Yes, sir.

13269 Q. The great bulk of the crude oil of California is not oil that is used for refining, is it?—A. One-half of it is suitable for refining.

Q. About one-half of it is suitable for refining?—A. Yes, sir.

Q. During the years mentioned in this exhibit a very much less amount than that was refined; isn't that true?—A. Was actually refined?

Q. Yes.—A. Yes.

Q. Most of the crude oil produced in California is not used for refining, is it?—A. No, sir.

Q. What is it used for?—A. A great many of the refineries use it for making asphalt. The distillates are taken off and it is used for fuel.

Q. A large amount is used by railroads and power companies for fuel, isn't it?—A. All power plants in California use fuel oil.

Q. And all of the railroads there use it?—A. So I understand.

Q. Of the one-half that you say is suitable for refining purposes, a large amount of that one-half is not what you would call good refining oil, is it?—A. It is just as good as what we use.

Mr. ROSENTHAL. You mean as good as you use in California?

WITNESS. I am speaking of California.

Q. Is one-half of the production of California as good as that which you refine?—A. Yes, sir.

13270 Q. Of the total oil refined in California, what percentage did your company, during the years named in this exhibit, refine?—A. I have not those figures.

Q. It is a very large per cent, isn't it?—A. Our refinery uses about 25,000 barrels of crude oil a day now.

Q. Your company refined a very large percentage of oil refined in California, didn't it?—A. The total production in California to-day is from 135,000 to 140,000 barrels per day. One-half of that is refinable crude oil, and of that refinable crude oil the Standard Oil Company of California receives about 25,000 barrels per day.

Q. The other half is not all refined, is it?—A. I assume not.

Q. No.—A. That is not refined oil. The engine distillates are taken off a great quantity of it.

Q. But it is not refined to produce illuminating oils, is it?

Mr. ROSENTHAL. That question is a little vague. Which other half do you mean?

Mr. KELLOGG. He says one-half of the production of California is refinable oil, and that they refine a certain amount. I say the balance is not refined, or all of the balance is not refined, is it?

Mr. ROSENTHAL. The balance is about 45,000—which would be much more than the other one-half.

Mr. KELLOGG. I will get at it in another way and see if he knows anything about it.

Q. What percentage of the refined oil produced in Cali-
13271 fornia do you manufacture?—A. I haven't those figures.

Q. What percentage of the refined oil do you sell?—A. I haven't those figures either.

Q. Don't you sell substantially all of it—say all but about six per cent at the present time?—A. No, sir; I should say not by any means.

Q. I am speaking about the territory of the California company.—A. I should say not, sir. Without having the figures, it would be guesswork.

Q. Is it not a fact that in 1906 your company sold 93.5 per cent of the refined oil in the States on the Pacific Coast in which it does business?—A. If those are the figures we furnished you, it represents only that amount of competitive oil that we ascertained was being sold. We don't claim to know of everything that is sold there.

Q. But so far as your information goes, you sell about 93 per cent of the refined oil in those States, do you not?—A. If that is a copy of the statement furnished you.

Q. How much of that do you produce, and how much do you buy of other concerns?—A. What year is this?

Q. 1906.—A. We produced it all from California oil, except some specialties amounting to about 35,000 barrels a year.

Q. In 1906 you were buying some from the Union, were you not—a little?—A. I do not remember of buying from the Union.

Q. Did you buy from the Puente Oil Company in 1906?—A. I forget the year in which we had that contract.

Q. I notice by a statement which you made that your company,
in the years 1902, 1903, 1904, and 1905, purchased a large
13272 amount of crude oil and stored it.—A. Yes, sir.

Q. In 1905 you had a little over 14,000,000 barrels in store?—A. I think that is correct.

(A paper was handed to the witness by Mr. Kellogg.)

WITNESS. That is correct; yes, sir.

Q. Since that time you have purchased a very small amount for storage; isn't that true?—A. Our purchases amount to about 9,000,000 barrels a year.

Q. You haven't added 9,000,000 barrels a year to your storage?—A. No; but we are using that at the refinery, sir.

Q. I am talking about storage. I say, since 1905 you have not purchased any considerable amount of oil for storage?—A. No. We had less in 1907 than we had in 1905, in storage.

Q. The purchases of oil for storage ended about 1905?—A. Our purchases in excess of our consumption ended at that time.

Q. What did you pay for that oil that you were buying during 1902, 1903, 1904, and 1905, which you say you stored?—A. The prices varied.

Q. What prices were they?—A. They varied anywhere from 16 cents—our prices varied from 16 cents to 85 cents a barrel.

Q. Did you pay over 20 cents for any of that oil in store?—A. Yes, sir.

Q. How much of it?—A. Some of it, 25 cents.

Q. Tell me what price you paid for that oil which you bought in 1902, 1903, 1904, and 1905.—A. I did not keep any accounts here, you know, and I could only tell you in a general way.

Q. You paid from 15 to 20 cents a barrel for it, didn't
13273 you?—A. Some of it cost 25.

Q. Do you know that some of it cost 25?—A. Yes, sir. The first lot we bought in California cost us 50 cents.

Q. I am talking about the large amounts you bought in 1902, 1903, 1904, and 1905. The price was very low, wasn't it?—A. From 16 cents up.

Q. Up to what?—A. I should say 25 cents—outside of the oil that we stored for refining purposes; that was higher.

Mr. ROSENTHAL. Just explain that, while you are on it.

WITNESS. There are two grades of oil in California; one is called fuel crude oil and the other refinable crude oil. The refinable crude oil is worth more than the fuel crude oil.

Mr. ROSENTHAL. Tell about these prices that you paid, in that connection.

WITNESS. We paid, in those years he has mentioned, from 16 cents up to 85 cents, according to the grade of oil; the low price being the fuel crude oil, and the higher price being the refinable crude oil.

Q. What grade is this that you store?—A. We have both grades stored.

Q. How much of that was refinable oil and how much fuel oil?—A. I should imagine about a million and a half or two million barrels is refinable crude oil, and the balance what is known as fuel crude oil.

Q. Nearly all of this oil which you bought for storage in 1903, 1904, and 1905 was fuel oil, wasn't it?—A. Except this million and a half or two million barrels.

Q. And that you paid a low rate for—from 15 to 25
13274 cents?—A. I should say from 16 to 25 cents; along there.

Q. What is it worth now?—A. I should imagine 50 cents.

Q. So it has not been a very bad deal, has it?—A. Well, there is the cost of the retainers for the oil, the leakage and seepage, and the interest on the investment for six or seven years.

Q. You don't store it in iron tanks, do you?—A. We have some iron tanks and we have ground tanks.

Q. How much of that is stored in iron tanks?—A. About a million and a half barrels.

Q. The refinable oil is stored in iron tanks, is it?—A. I should say we have a million and a half of iron tankage at Kern River, and we have fully a half million barrels of iron tankage at the Richmond end of the refinery, where the refinable crude oil is stored there.

Q. But nearly all of this oil was stored in earthen reservoirs, was it not?—A. The majority of it.

Q. And those earthen reservoirs are very cheap, aren't they?—A. They cost considerable money; they are roofed over, and there is considerable leakage from the oil.

Q. They don't begin to cost as much as iron tankage, do they?—A. They do not, but there is a salvage in iron tankage but there would not be any salvage in the ground tank.

Q. What is the expense of storing oil in the ground tank as compared with the iron tankage?—A. The iron tankage must cost about 30 cents a barrel, from which there is a salvage. The ground tankage costs about 10 cents a barrel. Ground tankage is a total loss;
13275 and there is considerable loss from leakage from the ground tankage every year; that is continuous.

Q. How much is that?—A. I have not the figures. I have seen them.

Q. If you don't know, how do you know there was considerable?—A. Some of the ground tanks, I remember, it was as much as 3 per cent a year. I do not remember each tank; that is a detail of the business I did not carry in my mind.

Q. Isn't that fuel oil worth a good deal more than 50 cents now?—A. That is all we paid for it, sir.

Q. I ask you if it is not, to sell in the market to-day, worth a good deal more than 50 cents?—A. I would call it from 50 to 60 cents as the price at Kern River.

Q. It appears in this case that in March, 1898, your company entered into a contract with the Puente Oil Company to purchase its refined product. Where is the Puente Oil Company's refinery located?—A. At Chino, California.

Q. How far from Los Angeles?—A. I don't know the number of miles; a comparatively short distance. It might be within a hundred miles of it.

Q. It is near the Los Angeles territory?—A. Yes, sir.

Q. Did you not immediately after that contract was entered into raise the price of oil in Los Angeles from 9½ to 11 cents a gallon?—A. I don't remember whether it was raised or not.

Q. You remember it went up about that time, don't you?—A. I could not say for what cause.

Q. You have a record of those prices, haven't you?—A. I have not a record.

13276 Q. You have it in your office, haven't you?—A. Not in my office.

Q. You have it here in New York, haven't you?—A. I think it is.

Q. Will you look up the prices in Los Angeles during the years 1898 to 1901, inclusive; and also in San Francisco, Portland, and

Seattle during the same time?—A. Will you give me a memorandum of them?

Q. Yes; we will give you a memoradum.

Mr. CAMPBELL. I will make a memorandum.

Mr. KELLOGG. The prices in Los Angeles, San Francisco, Portland, and Seattle, 1898 to 1901, inclusive; also the margin of profit—the same as these other exhibits show.

Q. As soon as that contract with the Puente Oil Company expired (April 1, 1904), is it not a fact that the price went down to 9 cents, and that that was the cause of the decrease in price in Los Angeles?—A. I do not remember what the price was there; I would have to look it up to see.

Mr. ROSENTHAL. Answer the balance of the question—whether there was any relation between that contract and the Los Angeles price.—A. The Los Angeles price was made on account of the local refineries at Los Angeles.

Q. Isn't it a fact that as soon as that contract expired and the Puente Oil Company went to selling its own product, you put the price down yourself and kept it down for a long time?—A. I would have to look up those prices to see what they were at the time.

Q. Very well. It appears that that contract expired in March,
1904, and immediately the price went from 10 to 9 cents,
13277 and during that year down to 7½ cents.—A. I remember the
price was 7½ cents. That was made on account of the local condition at Los Angeles.

Q. How do you know it was?—A. I was conferred with by our Pacific Coast representative.

Q. The Puente Oil Company was——

Mr. ROSENTHAL. Let him finish. Conferred with and what?

WITNESS. I was conferred with by our local representative in reference to the competition at Los Angeles, and after conferring with him I approved of the price being reduced to 7½ cents.

Redirect examination by Mr. ROSENTHAL:

Q. You were asked on cross-examination something about the profits of the Standard Oil Company of California and the Continental Oil Company. You testified, did you not, that the original purchase price of the Pacific Coast Oil Company was $761,000, in the year 1900?—A. Yes, sir.

Q. And that the capital stock of that company and the Standard Oil Company of California—its successor, has since then been increased from one million to twenty-five million—the authorized capital?—A. Yes, sir; it has been.

Q. And that the capital stock actually issued and paid for was 17 millions?—A. Yes, sir.

Q. Who was it that subscribed and paid for that additional 16 millions of the capital stock of that company?—A. The Standard Oil Company of New Jersey.

Q. Did it pay in cash for that additional stock so sub-
13278 scribed for?—A. It paid in cash.

Q. And what was done with the money that it so paid for that stock subscription?—A. It was put in improvements—in an enlargement of the plant.

Q. Did it first go into the treasury of the Standard Oil Company of California or the Pacific Coast Oil Company?—A. Yes, sir.

Q. And it was thereafter used for improvements?—A. In the business.

Q. And the expansion of the business?—A. Yes, sir.

Q. So that since 1900 the Standard Oil Company of New Jersey has paid in to the Pacific Coast Oil Company and its successor—the Standard Oil Compa y of California—the sum of $17,000,000 in cash?—A. Almost $17,000,000.

Q. Yes—in round numbers?—A. Yes.

Q. To be exact, $16,761,000?—A. Yes, sir.

Q. From 1900 to 1906 did the Pacific Coast Oil Company pay any dividends to its stockholders?—A. It did not.

Q. The holder of its stock, excepting its qualifying shares, being the Standard Oil Company of New Jersey?—A. Yes, sir.

Q. During those six years no dividends were paid at all by that company?—A. None whatever.

Q. What was done with the profits that accumulated?—A. They were invested in improvements, in the enlargement of the business, and extension of the business.

Q. It went right back into the business?—A. Went right back into the business.

Q. When after the purchase of the Pacific Coast Oil Company in 1900 was the first dividend paid to the Standard Oil Company of New Jersey in connection with that company? [Handing a paper to witness.]—A. December 5, 1906.

13279 Q. And during the year 1906 what was the dividend which the Standard Oil Company of California paid?—A. $6 a share on its issued capital stock.

Q. Six per cent?—A. Yes; six per cent.

Q. And in 1907, what dividend did it pay?—A. Six per cent.

Q. In 1908 what dividend did it pay?—A. Ten per cent.

Q. So that it is only during the years 1906, 1907, and 1908, since the original purchase was made in 1900, that any dividends whatever have been paid?—A. Yes, sir.

Q. The total net assets of the company, as shown by the 1906 balance-sheet, were $21,000,000, weren't they?—A. That is what was testified to yesterday. I testified to it yesterday.

Q. The Continental Oil Company is, and always has been, a marketing company entirely, has it not?—A. It has.

Q. It does not refine any oil?—A. It does not.

Q. It merely markets oil purchased from other refineries and from Standard Oil refineries in the Rocky Mountain States?—A. Yes, sir.

Q. It is merely a merchandising concern?—A. That is all.

Q. In the far West?—A. Merchandising company in the Rocky Mountain district.

Q. Now, while its capital stock is $300,000, the net capital invested, less substantial amounts that have been written off for depreciation from time to time, is how much?—A. It is about $1,300,000.

Q. So that while it may have paid 130 or 140 per cent on the $300,000, the money actually invested was over $1,000,000?—
13280 A. It was.

Q. After having written off liberal and substantial amounts for depreciation from year to year?—A. Yes, sir.

Q. All of which amounts are shown, are they not, in the balance sheets which we presented to the Government about a year ago?—A. I understood so; yes.

Q. You were asked by Mr. Kellogg yesterday afternoon whether your knowledge of that Los Angeles price situation was not entirely hearsay. Were you consulted in any way by the officials of the company who were located in California in connection with that price situation?—A. I was constantly consulted by them.

Q. Will you state whether the changes in prices that were made from time to time were made upon your authority or upon the authority of the men locally in the field?—A. Made with my authority after consultation with them.

Q. And only upon your authority?—A. Yes, sir.

Q. That is, has the local man any authority whatever to change prices by either raising or lowering them?—A. They consult with me first as to the changing in the markets.

Q. Was there any relation whatever, so far as you know, between the discontinuance of the Puenta Oil Company contract that your attention was called to a few moments ago and the price situation in Los Angeles?—A. I don't know of any. Please repeat that question.

(The question was read by the reporter.)

A. There was none. They were simply treated the same as
13281 any other competitor. They were all considered as one in the Los Angeles field.

Q. When did you begin to store this oil that you discontinued purchasing for storage purposes in 1905? 1902?—A. I think it was. The statement I presented yesterday shows that; 1902, I think.

Q. Are those 14,000,000 barrels still in storage out there, or substantially that amount?—A. Between 12 and 13 millions.

Q. Between 12 and 13 millions are still in storage?—A. Yes, sir.

Q. And can you determine how long that may yet remain in storage?—A. That is impossible to tell.

Q. What are these earthen storage tanks that you spoke of?—A. It is a hole dug in the ground, with the dirt that is taken out of it thrown up on the side to increase the size, and then roofed over with wooden roofs.

Q. And is the fuel oil run into those earthen storage vaults or holes?—A. It is pumped into them from the——

Q. What do you do to prevent leakage there—seepage into the ground?—A. That is going on all the time.

Q. Is there a great deal of that?—A. As I say, some of these reservoirs I have known to have as much as three per cent leakage.

Q. Three per cent what?—A. Three per cent a year—loss.

Q. From seepage alone?—A. Yes.

Q. And is there any loss in evaporation?—A. Well, that takes care of the seepage and evaporation. We don't know which is which.

13282 Q. Do you know whether the Union Oil Company had a refinery in 1904 in the county of Contra Costa?—A. I understood they had a refinery on San Francisco Bay.

Q. Is that in Contra Costa County?—A. Yes. Part of Contra Costa County is on San Francisco Bay.

Q. Have they that refinery still?—A. They have the same refinery now they had then.

Q. Do you know whether they have been operating the refinery since 1904?—A. It has been operated since; I don't know whether continuously or not.

Q. And did they refine any of the California crude?—A. They have refined California crude.

Q. Assuming for the purposes of these questions that this contract, or this paper, marked petitioner's Exhibit 944, is a correct copy of a contract, do you know whether or not the Union Oil Company continued to refine oil at its refinery subsequent to 1904?—A. I do not know whether it did or not.

Q. You don't know whether it did or not?—A. No. May I ask do you mean up to the present date, Mr. Rosenthal?

Q. Yes, sir.—A. Yes; they are running their refinery; they are making refined oil to-day.

Q. Well, Mr. Tilford, I suppose if your company bought practically the entire production of a company that was engaged both in producing and in refining, it would not be regarded as an extraordinary business proposition, by a sane business man, would it, if in connection with such a contract for the purchase of its production there were some limitations put upon the refining feature of

13283 their business?—A. I should think not, sir.

Q. Mr. Tilford, on page 107 of the bill it is alleged, among other things, that the Pacific Coast Oil Company entered into certain contracts with certain other California producers, by which contracts the producers agreed to sell exclusively to the Pacific Coast Oil Company and to limit their production—the exact persons and producers with whom such contracts have been made the petitioner being unable to state; and the bill then avers specifically the making of certain contracts, particularly with the Pinal Oil Company, I think. Now, what was there to those contracts, so far as any limitation on production was concerned, if you remember that feature of those producing contracts?—A. While I do not remember the details of all the contracts, I know that there was a stipulation in some of them that the contract provided for the furnishing of a specific amount of oil from a special piece of ground in a given period of

time, and the producer was not to sell any oil produced on that special piece of ground to a yone else until he had stored above ground a sufficient quantity to fulfill his contract with either the Pacific Coast Oil Company or the Standard Oil Company of California.

Q. Did that same producer have other producing lands?—A. I understood that some of them did have other lands.

Q. And what was the purpose of that sort of a limitation?—A. To make sure that if the oil was produced from that particular land we would get it according to our contracts, we having
13284 made other contracts with consumers of oil, and we needed it at the refinery, too.

Q. That is, you made a contract for a specific minimum amount with the producer from a given piece of land, and in connection with the making of that contract and in order to insure its being carried out, you further provided for the storage of oil from that particular piece of ground in order to enable the producer to fulfill fully the terms of that contract?—A. Storage up to the undelivered portion of the contract due the S. O. Company. If they produced anything in addition to what was due the Pacific Coast Oil Company or the Standard Oil Company, they were at liberty to dispose of it wherever they saw fit.

Q. That is, the producer, after having fulfilled his obligation as a vendor to you, and either actually delivered to you or stored for you for the purposes of future delivery, was then at liberty under those contracts to sell to anyone that he wished to?

Mr. KELLOGG. That is objected to. The contract is the best evidence, as pleaded in the bill and admitted in the answer, and if Mr. Tilford wishes to contradict it let him produce the original contracts.

Q. Please answer.—A. Read the question again.

(The question was read by the reporter.)

A. He was.

Q. That is, if there was an excess of the oil that the producer was obligated to currently deliver, that excess was stored for the purpose of enabling him to fulfill his future contract deliveries?—A. It was.

Q. Those contracts which are alleged in the bill in this case
13285 to have been entered into, and which we in our answer, generally speaking, admit were entered into, where are they?—A. The original contracts, I am informed, were all lost in the fire at San Francisco.

Q. That is, in the earthquake and fire there?—A. In April, 1906.

Q. Can you state, even where such contracts existed, what the policy of the Pacific Coast Oil Company was with respect to taking all of the production, regardless of the terms of the contract?

Mr. KELLOGG. Same objection.

A. I have never heard of their ever refusing to accept oil from a producer under contract, irrespective of whether it was equal to the quantity named in the contract or not.

Mr. MILBURN. In excess of it.

WITNESS. In excess of the contract. That is, those contracts provided for so much to be delivered per month, and if any was offered in excess of the monthly delivery it was received.

Q. Is it, or is it not, true that until the Standard Oil Company developed its Richmond refinery a great deal of that California crude which is now used by the Standard for refinable purposes was used simply for fuel purposes?—A. Some of it was used by the local refiners who made what we considered an unmerchantable oil. Outside of that and what the Standard Oil Company used——

Q. But the tremendous development of the California field and the use of the California crude for the manufacture of a re-
13286 finable product has been almost entirely due to the introduction of the Starke process and the methods used by the Standard Oil Company at its Richmond refineries, has it not?—A. Yes, sir.

Redirect examination by Mr. KELLOGG:

Q. Don't you know that the other oil companies are manufacturing that oil and selling it successfully on the market?—A. They are manufacturing and selling oil which is not what we consider a first-class oil.

Q. How do you know it is not first-class oil?—A. Well, I have had samples of it.

Q. Have you analyzed it?—A. I have burnt it.

Q. You have burned it?—A. Yes, sir.

Q. They sell it right along, don't they?—A. They are selling it; yes, sir.

Q. And have sold it for a good many years, haven't they?—A. Yes, sir.

Q. The principal development in the California field—that is, the large development of crude oil—came after 1900, didn't it?—A. Beginning about 1900 or 1901.

Q. The Standard Oil Company did not produce that development, did it?—A. No, sir.

Q. I thought the construction of your refinery caused the production of that field.

Mr. ROSENTHAL. No; but it enabled the producers to have their production utilized, however.

Q. You bought the Union Oil Company's oil and sold it
13287 without mixing it with eastern oils, didn't you?—A. I don't remember whether we bought any Union Oil Company's oil, but I know we have never sold any oil that we bought from other refineries in California and sold it straight; we have always mixed it.

Q. Didn't you buy of the Union Oil Company refined oil and sell it without mixing it with any other oil at all?—A. I say I do not remember whether we bought any refined oil from the Union Oil Company; but I know we never sold any California oil that we bought that wasn't mixed with eastern oil.

Q. You can recollect the small details of the price of oil to a retailer in Los Angeles, can you?—A. I looked that up.

Q. Yes, you looked that up.—A. Yes, sir.

Q. Well, why didn't you look up the other matter?

Mr. MILBURN. You have asked him to do it and he says he is going to.

A. I wasn't asked about this before. I might say in connection with the refined oil sold by other California refiners, that that oil goes to the same customers supplied by the Standard Oil Company, and the oil is mixed with the Standard Oil Company's oil before it reaches the consumer.

Mr. ROSENTHAL. By whom?

WITNESS. By the storekeeper; or even after it reaches the consumer it is mixed by the consumer in his lamp.

Q. How do you know?—A. I know we sell the same customers.

Q. How do you know they mix it?—A. They have to be mixed. It goes to the same tank.

13288 Q. Isn't the Union Oil Company making and selling its product now, since your contract expired?—A. They are making and selling their product to the same customers that the Standard Oil Company is.

Q. How do you know it is the same customers?—A. From my representatives on the Pacific Coast.

Q. You know they sell no oil except to your customers?—A. We sell to the same trade.

Q. Do you sell to the same customers?—A. We might sell one customer to-day and they sell him to-morrow.

Q. How do you know that they mix their oil with yours?—A. They have to, because they have the same and one storage tank.

Q. How do you know that?—A. I know it from the way the oil is handled.

Q. You are guessing at it, aren't you?—A. No; I am not guessing at it.

Q. You don't know anything about it, do you?—A. I do.

Q. Well, tell me where they sell oil to anybody.

Mr. MILBURN. If a witness gives you information you tell him he doesn't know anything.

Q. Tell me where the Union Oil Company is selling any oil and it is being mixed with yours, to one customer.—A. I can not name the customer; go to Portland, Oregon, and you will find it, and Seattle, Washington, and San Francisco.

Q. And you swear that the Union Oil Company sells no oil which is not mixed with your oil to make it merchantable?

Mr. ROSENTHAL. Oh, he hasn't sworn to anything of the kind.

13289 A. I have not sworn to that; no, sir.

Q. Well, do they not sell their oil right along and it is used without being mixed with yours?—A. I say they sell the same general

trade that the Standard Oil Company does, but the oil is all mixed together by the storekeeper in his storage tank.

Q. How do you know?—A. I have been so advised by my California representatives.

Q. Oh, yes. Somebody has told you that? That is all you know about it, isn't it?—A. That is about all I know about it; yes.

Q. That is what I thought.—A. I haven't been to the store myself.

Q. Now, you say the Standard Oil Company of California or the Pacific Coast Oil Company paid only 6 per cent dividend—in 1906, was it?—A. Yes, sir; December, 1906.

Q. How much did it earn net?—A. I haven't those figures. You have the exhibit, I think.

Mr. ROSENTHAL. They have that already.

Q. In 1907 how much did it earn net?—A. I haven't any of those figures.

Mr. KELLOGG. Well, we haven't it either.

Mr. ROSENTHAL. Oh, yes, you have.

Mr. KELLOGG. Oh, no, we haven't.

Mr. ROSENTHAL. You know it for 1906.

Mr. KELLOGG. 1907 I am asking for now.

Q. How much did your company earn net in 1907, and how much did you earn this year?—A. The figures for this year are not made up.

13290 Q. Hasn't part of the year been made up—six months?—A. The first six months.

Q. How much are your net earnings?—A. I haven't those.

Q. Will you get the net earnings for 1907 and 1908 as far as made?—A. I will look it up. Will you make a memorandum of that, please?

Q. Take the first six months of 1906, which is reported in this exhibit. During that six months the company earned 11 per cent on its net assets, didn't it?—A. I don't know. Was that on the net assets or the——

Q. Yes, sir, net assets.—A. I don't know what the figures show.

Mr. MILBURN. What is the average earnings of manufacturers according to your statistics?

Mr. KELLOGG. It is around 8 per cent.

Mr. ROSENTHAL. The average is between 20 and 25 per cent a year of a hundred representative manufacturing corporations of this country.

Mr. KELLOGG. And your average is about a hundred per cent a year.

Mr. ROSENTHAL. Our average is about 22.

Mr. KELLOGG. The figures in this case show nearly 100 per cent per annum.

Mr. ROSENTHAL. The figures in this case show just exactly what I have said.

Mr. KELLOGG. Well, I beg to differ with you.

Mr. ROSENTHAL. I will demonstrate it to even your satisfaction before we get through.

13291 Mr. KELLOGG. You can't do anything of the kind. It is simply talk.

Mr. ROSENTHAL. Mr. Kellogg's statements are testimony, and ours are "talk."

Q. The Pinal Oil Company—have you got copies of those contracts?—A. No, sir. I have received from time to time copies of them as a detail of the business, but I never carry in my mind the full wording of them.

Q. How does it happen that you so distinctly remember those contracts?—A. I don't remember any special contract. I said in substance—the net of all of them.

Q. It is admitted that the contracts contain provisions that the excess over and above the contract should be stored and not sold to anyone else, to any other party.—A. Up to the contract——

Mr. ROSENTHAL. Wait a moment. That is admitted. Let us get his question now.

Q. Now, isn't that the provision of the contract?—A. Why, it is admitted that it is.

Q. Do you know of any other provision about the storage in the contract?—A. No, I do not know the details, except, as I said, it is to store a sufficient quantity to enable them to fulfill the contract with the Standard Oil Company.

Q. Is there any such thing as that in the contract?—A. It is my understanding that was in the contract.

Q. How do you know it is in the contract?—A. In a general way I know that was.

13292 Q. How long since you have seen it?—A. I have seen one of them quite recently.

Q. How long ago?—A. Within the past month.

Q. Where is it?—A. I think I have a copy of one of them in my office.

Q. Will you produce it?—A. Certainly.

Q. What is the date of it?

Mr. ROSENTHAL. We will produce it if you will agree to put it in.

Q. What is the date of the contract?—A. About 1904 or 1905.

Q. Or 1906?—A. Not that late.

Mr. ROSENTHAL. What do you say, Mr. Kellogg; will you put it in if it is produced?

Mr. KELLOGG. If it is one of these contracts that is alleged in the complaint, I will. If it is some other contract he has made up, I won't.

Mr. ROSENTHAL. If it is some other contract you don't want to see it, I suppose?

Mr. KELLOGG. Yes; I would like to see it.

Q. Now, take the contract with the Pinal Oil Company. Have you got any memorandum as to what was contained in that contract?—A. I have not.

Q. Have you seen it lately?—A. I have not.

Q. How many years since you have seen it?—A. I generally keep copies of contracts until they expire and then I throw them away.

Q. How many years since you saw that contract?—A. I would have to know the date of the contract before I could tell that.

13293 Q. Do you remember the contract before I could tell that. Oil Company?—A. I remember we had a contract with them.

Q. The Santa Maria Oil Company?—A. I don't remember that contract.

Q. That is all; when you produce those other matters I have asked you for, please return.

For the purpose of this case it is admitted:

That of the total domestic marketing business in refined oil of the Standard Oil Company of New Jersey (done by said company as such, as distinguished from the business done by its subsidiary companies) all but 2.96 per cent, and in naphtha all but 6.72 per cent, as shown for the year 1906 (a representative year), consisted of sales where the oil was first stored in storage tanks at various stations and substations of the company in various States, and then sold and delivered within the State in which it had been previously stored; the methods of shipment, storage, sale, and delivery being the same as testified to in connection with the Standard Oil Company of New York and other Standard Oil companies.

That of the refined oil sold by the Standard Oil Company of New Jersey at its New Jersey stations, 46.9 per cent was in the year 1906 refined in the State of New Jersey, and the balance was refined outside of the State of New Jersey and shipped into the State in the manner as testified to by witnesses as to other States.

13294 That of the naphtha sold by the Standard Oil Company of New Jersey at its stations in the State of New Jersey in the year 1906, 41.7 per cent was refined within the State of New Jersey, and the balance was refined without the State and shipped into the State in the same manner as above stipulated.

That of the refined oil sold by the Standard Oil Company of New Jersey in the Baltimore division in the year 1906, 19.1 per cent was refined within the State in which it was subsequently sold, and the balance was refined outside of the State in which it was subsequently sold and shipped into the State in the same manner as testified to in other States.

The same stipulation is entered into with respect to the Continental Oil Company, the percentage of intra-state sales for this company, as above defined, being all but 16.03 per cent of refined oil, and all but 11.87 per cent of naphtha. This company does business in Colorado, Utah, Montana, Wyoming, and New Mexico. About 96 per cent of the refined oil sold in Colorado is refined in Colorado. All of the oil sold in the other States above mentioned is refined without those States and is first shipped into the State to main and

substations and from there distributed in the same manner as described in other States.

The same stipulation is entered into with respect to the Standard Oil Company of Nebraska, the percentage of intra-state sales for both refined oil and naphtha being 100 per cent, and all of the oil sold by this company being refined out of the State in which it is subsequently sold, and shipped into the State to local and substations, as described in other States.

13295 The term "intra-state sales" as used in this stipulation means sales of oil which are distributed from local stations where it has previously been placed in storage tanks, as described by witnesses in the case of sales by other Standard Oil companies, and has no reference to the question of whether or not the oil was shipped into the State before being so stored.

13296 In connection with the testimony of the witness A. F. Robertson, which appears on page 1186 of volume 3 of the printed record in this case, to the effect that the rate on petroleum from Bartlesville, Oklahoma, to Caney, Kansas, was at one time 5 cents a hundred pounds, and thereafter raised to 19 cents per hundred pounds, it is admitted that it appears from the tariffs of the Santa Fe Railroad here now produced that upon the cancellation of the 5-cent rate, the rate became and thereafter continued at 12 cents per hundred pounds, and not at 19 cents per hundred pounds, as stated by this witness.

It is agreed that the percentage sheets of the Chicago & Alton Railroad Company and the Louisville, Evansville & St. Louis Consolidated Railroad, which subsequently became and is now a part of the Southern Railway, had percentages or divisions of rates for traffic moving from Chicago over the Chicago & Alton Railroad via East St. Louis, and thence over the Southern Railway to Evansville, Indiana, and that the percentage accruing to the Alton Railroad from such traffic, as appears from these percentage sheets, was 62 per cent, and the division or percentage of the Southern Railway was 38 per cent. The percentage sheet referred to was effective June 15, 1900, and remained effective until 1906.

With respect to defendants' Exhibit 222, it is agreed that this tariff, which is I. C. C. No. 101, entitled "through freight rates No. 47," issued by C. E. Fulton as secretary, effective February
13297 1, 1904, shows as parties thereto the Chicago & Alton Railway, the Southern Railway, and others, and makes rates between Chicago and various other points, and Evansville, Indiana, and other points, and that the rate on oil is shown to be applicable from Whiting, Indiana, and that the rate therein shown, 11 cents per hundred pounds from Chicago, Illinois, to Evansville, Indiana, is applicable to Whiting, Indiana.

It is also conceded that tariff 46 (previous issue of tariff 47, tariff 46 being effective January 1, 1903) and also the subsequent issue of the same tariff, which was numbered 48, also made the same rate, 11 cents per hundred pounds, from Chicago via East St. Louis to Evansville, over the same roads as previously mentioned.

Mr. MARTYN. The defendants offer in evidence Southwestern committee tariff No. 3–Q. I. C. C. No. 349, effective May 12, 1904, and ask that the cover of this page be copied into the record, being page 1.

(The paper referred to is marked "Defendants' Exhibit 252.")

Mr. KELLOGG. I object to it as immaterial.

Mr. MARTYN. With regard to National-Despatch-Great Eastern Line No. 9, which is in evidence as defendants' Exhibit 124–B, we want to have copied into the record both pages of the front cover, and pages 19, 20, and 26.

It is stipulated that unless counsel for one of the parties demand a reading over of the testimony by the examiner in the pres-
13298 ence of the witness and the signing of the same by the witness, it is hereby waived, and the examiner may return the said testimony without such reading and signature. This applies to witnesses generally, all witnesses in this case, whether they have been examined in the past or whether they shall be examined in the future.

It is admitted that the division sheets produced by Mr. Martin, of the Grand Trunk Railway, which Mr. Miller insisted should be marked petitioner's exhibits instead of defendants' exhibits, shall have the same force and effect as though they were so marked.

It is stipulated that the tariff here now produced of the Illinois Central Railroad Company, its I. C. C. No. 1495, effective April 20, 1903, names a rate on petroleum and its products in carloads from Evansville, Indiana, to Mobile, Alabama, of 18 cents per hundred pounds.

All the foregoing stipulations are subject to correction by either party by producing any of the said tariffs at any hearing of this cause, if they so desire.

Mr. MILLER. I offer in evidence, on behalf of the defendants, Mississippi Valley, through freight tariff No. 7, being I. C. C. Advice B–59, stating: "This tariff contains the individual rates, rules, and regulations of each railroad company named below and is sub-
13299 ject to change by each, without the consent of any other railroad company," and names Chicago & Alton Railway, Chicago & Eastern Illinois Railroad, and certain other Chicago lines and connections named on page 4, and names class and commodity rates from Chicago and certain other specified points and points taking same rates to Mobile, Alabama, and other points named, and other lower Mississippi River points. It was issued December 24, 1902, taking effect January 5, 1903, and is a tariff with the name of C. E. Fulton, chairman, Chicago, S. S. Graves, jr., secretary, Chicago, and M. P. Washburn, chairman, Louisville, Kentucky. This tariff names a rate of 23 cents per hundred pounds on petroleum and its products from Chicago to Mobile, Alabama, and is applicable to shipments from Whiting.

Mr. KELLOGG. The Government objects to this tariff as irrelevant and immaterial, and desires that the following clause on the title page of the tariff also be inserted: "SPECIAL NOTICE.—The publication of this tariff does not imply that the rates shown will prevail from

all points specified via all the lines parties to said tariff. The rates, with the exceptions noted, are in accordance with division sheets of individual lines."

(The tariff was marked "Defendants' Exhibit 256.")

Mr. MILLER. I want to know whether counsel for the Government object to the competency of this tariff on the ground that the percentage sheets are not put in evidence with it.

13300 Mr. KELLOGG. I do not make any objection on the ground that it is incompetent. My objection does not go as to the competency. I object on the ground that it is irrelevant and immaterial.

Mr. MILLER. And not on the ground of incompetency?

Mr. KELLOGG. One of my objections is that right on the face of the tariff there is a clause that it does not necessarily apply to all the lines all the rates.

Mr. MARTYN. You take the position that if there was no percentage sheet it would not make a rate?

Mr. KELLOGG. Certainly I do, over that particular line.

Mr. MILLER. It is Mr. Kellogg's suggestion that this tariff need not be printed in the record, but counsel for either side may refer to it in any argument of this case.

13301 In connection with that portion of the Government's case relating to the railroad rate question, I would like to supplement our evidence by offering in evidence joint through tariff on petroleum and its products, in carloads, Pennsylvania Railroad Company in connection with West Shore Railroad, New York, Ontario & Western Railway, Boston & Maine Railroad, and the Rutland Railroad, from Olean, New York, to stations on the above-named railroads which are shown in the tariff, the tariff being I. C. C. S. No. 461, issued March 29, 1904, taking effect April 10, 1904, and filed in the office of the Interstate Commerce Commission March 30, 1904, as No. 18474, and marked with the cancellation stamp put on in the Interstate Commerce Commission office, as I take it (Mr. Durand says that is right), canceled by I. C. C. No. S–812, effective March 3, 1906; and among the stations on the railroads named to which the rate prescribed applies, are stations on the Rutland Railroad in Vermont, fourteen in number, including Rutland, Vermont, with a rate of 19 cents from Olean, New York. The other stations besides Rutland to which this rate of 19 cents applies are between and from Rutland to Bennington, including Bennington. The tariff also names the same rate of 19 cents to Bellows Falls on the Connecticut River Division of the Boston & Maine Railroad.

(A recess was here taken until 2 o'clock p. m.)

13302 AFTERNOON SESSION.

The EXAMINER. I am advised that the defendants are not ready with their witnesses this afternoon.

Mr. CAMPBELL. The defendants have concluded the historical branch of the defence, and the economic witnesses, who will next be

called, can not be here until to-morrow morning, so we ask for a further adjournment over the afternoon.

The EXAMINER. Very well. Let the adjournment stand until to-morrow morning at 10.30.

(An adjournment was accordingly taken until the morning of Wednesday, December 9, 1908, at 10.30.)

13303 ROOM 508, CUSTOM-HOUSE, NEW YORK CITY,
Wednesday, December 9, 1908—10.30 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferris, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr. Charles B. Morrison; on behalf of the defendants, Mr. Moritz Rosenthal, Mr. F. L. Crawford, Mr. W. Cleveland Runyon.

L. J. DRAKE recalled.

Direct examination by Mr. CRAWFORD:

Q. You are the same L. J. Drake who has testified in this case previously, are you not?—A. Yes, sir.

Q. You have been connected for a number of years with the Standard Oil Company of Indiana, have you not?—A. Yes, sir.

Q. As I recollect, you have been connected with the marketing end of the business; have you not?—A. Yes, sir.

Q. Now, one of the important by-products in the manufacture of petroleum is naphtha, is it not?—A. Yes, sir.

Q. That also goes by the name of gasoline?—A. Yes, sir.

Q. Do you recall generally what were the conditions of the market and of the demand for gasoline about 1895, 1896, and 1897?—A. Yes, sir. The demand was very light in the years 1895, 1896, and 1897.

13304 Q. What was the fact in regard to the ease with which your company disposed of the naphtha which resulted from its manufacture?—A. The increased demand, do you mean?

Q. No. During that period that you speak of, did you find that you sold the gasoline or naphtha readily——A. No, sir.

Q. ——or did you have more on hand than you could dispose of?—A. We had more on hand than we could dispose of there for some time.

Q. Did your company take any steps about that time to encourage the use of gasoline?—A. Yes, sir.

Q. Will you state generally what they were?—A. We encouraged the use of cook stoves throughout the country. We advertised a cook stove, and we sent demonstrators around to show the people how to use these stoves; went into it very thoroughly; and also with gasoline engines, for pumping and small elevators on railroads.

Q. Do you happen to remember how much was spent by the Standard Oil interests in encouraging a demand for gasoline in the way you have stated?—A. Yes, sir; $250,000.

Q. That was spent in advertising and introducing the cook stoves and otherwise pushing the use of gasoline, was it?—A. Yes, sir.

Q. Bringing it to the attention of the consuming public?—A. Yes, sir.

Q. What were the main uses to which gasoline was put at that period—about 1897 or 1898?—A. The use at that time, before we introduced the stoves and the engines, was largely for varnishes and paints; a great deal was used in that way.

Q. And subsequently the uses you have mentioned came
13305 in, did they—that is, the use for engines and the use for stoves?—A. Those came in in 1897, 1898, and 1899.

Q. What is the fact as regards the economy of the use of gasoline for engines or stoves, as compared with other fuel?—A. I could not give you the exact figures.

Q. Well, in a general way.—A. It is very much cheaper than the use of coal, in either stoves or engines.

Q. So that the introduction and increased use of gasoline for those purposes led to positive economy on the part of the consumers, did it?—A. Yes, sir.

Q. Was there any change in the conditions of the demand for gasoline about that period, and when?—A. The increased demand got very large in 1899; so much so that we had a shortage; that is, we ran very close to the manufacture of it.

Q. From 1899 on to 1906 or later than that time, what continued to be the fact about the demand?—A. The increased demand continued right along.

Q. And how about your supply?—A. The supply ran very short in 1906, on account of the large use by automobiles.

Q. Then, its use by automobiles is another cause for the demand that has arisen?—A. Very large; yes, sir.

Q. That has exercised considerable influence in the last few years, has it?—A. Yes, sir.

Q. And down to 1906 the demand remained large?—A. Yes, sir.

Q. During the period from 1899 to 1906, what was the fact generally in regard to your supply relative to the demand?—
13306 A. Our supply ran very close several times, as I say, in 1906. We ran very short.

Q. From 1899 to 1906 what was the general relation of the supply to the demand?—A. We never had any surplus of stocks.

Cross-examination by Mr. KELLOGG:

Q. Prior to 1897 gasoline was used in a great many manufacturing enterprises, wasn't it?—A. It was used some, yes, sir; paint manufacturers used it some, and varnishes; we sold a great deal to varnish and paint dealers.

Q. It was used in gas stoves prior to 1897 also?—A. Not to a very large extent.

Q. It was used a great deal?—A. No, sir.

Q. Very generally?—A. Not generally, no.

Q. Especially in the Middle West, wasn't it?—A. No, sir.

Q. You say it was not used at all prior to 1897?

Mr. CRAWFORD. He didn't say that.

A. I didn't say that. I said it was not used largely.

Q. Well, it was used to a considerable extent?—A. It was used some, but not large.

Q. Did you ever patent a gas stove?—A. No, sir.

Q. Did you ever patent a gas engine?—A. No, sir.

Q. Did the Standard Oil Company at all?—A. Not to my knowledge.

Q. All of the improvements in the use of gasoline as a power have been by other people?—A. We are not a manufacturer of engines or stoves of any description.

13307 Q. You had nothing to do with the improvement of machinery using gasoline, had you?—A. No, sir.

Q. And the increased use of gasoline has largely come from gas engines, hasn't it?—A. No, sir; it came very largely from gas stoves, in the first place—gasoline stoves.

Q. I ask you now if the increase is not very largely from gas engines of all kinds.—A. The increase now is largely from engines and automobiles, at the present time.

Q. Those engines are used for all kinds of purposes—farm engines, motor engines, motor boats, and local power of all kinds?—A. Yes, sir.

Q. And that is something that the Standard Oil Company has not had anything to do with, isn't it?—A. Not in the manufacture of them it has not.

Q. Nor in their use?—A. Well, we use some, yes.

Q. I mean in the use by other people. You haven't had anything to do with procuring the use of this machinery?—A. We have nothing to do with the manufacturing of them.

Q. No, nor introducing them.—A. We have introduced the——

Q. What have you introduced?—A. Stoves.

Q. I am not talking about a stove; that is not a piece of machinery. I am talking about motive and other power. I say the Standard had nothing to do with introducing those.—A. It didn't build them—had nothing to do with building them at all.

Q. No, nor introducing them.—A. We have encouraged the use of them as far as we could.

13308 Q. How have you encouraged the use of automobiles?—A. We have nothing to do with automobiles.

Q. How have you encouraged the use of farm engines? By selling gasoline, isn't it?—A. Yes, sir; encouraging the use of them by telling the people that it is a cheap power to use, gasoline, on engines.

Q. What people have you told that?—A. Oh, we have told a great many people. We have hired people to go around and tell them—a great many.

Q. How many men have you had employed going around telling people to use gasoline engines?—A. In the field I represent we have about two hundred people that are selling all classes of goods and talking with people about using gasoline; about two hundred in the field.

Q. Name some of the men that are going around encouraging the use of gas engines.—A. I could not give you the names off-hand. I can furnish you with the names of plenty of them——

Q. Oh, I know; you can always "furnish." I want it now; I don't want to wait until some future time. Give us the names of some men that you have got doing anything but selling your products.—A. I can give you the names of people in our employ that are going to people and encouraging the use of it by telling them and showing them how they can use it.

Q. Name one of them.—A. M. Story, Des Moines.

Q. What is his position?—A. He is manager.

Q. Manager of what?—A. Manager of that division.

Q. What division?—A. In central Iowa.

13309 Q. Selling what?—A. Selling all classes of goods that we sell.

Q. Name the goods.—A. Refined oil, gasoline, stoves, wax, candles, axle grease.

Q. That is his business—to sell those goods?—A. Yes, sir.

Q. His business is not to go around and introduce the use of gas engines, is it?—A. His business is just exactly as I stated. He goes to people and talks with them and encourages them to take hold of the gasoline engines in order to sell them the gasoline. We have got plenty of them.

Q. But you never introduced a gas engine or a gas motor in your life, did you?—A. What do you mean by "introduce?"

Q. Don't you know what "introduce" means?—A. I didn't manufacture them or go to them and sell the engines.

Q. And you never patented one?—A. No, sir.

Q. You never had anything to do with the improvements of them?—A. No, sir.

Q. Then there is something that the Standard Oil hasn't done?—A. Oh, my, lots of them.

Q. Is there?—A. Oh, lots of them.

Q. You mean you spent $250,000 in encouraging the use of gas stoves?—A. Gasoline stoves; yes, sir.

Q. How do you know you did?—A. You don't think I would make a false statement, do you?

Q. I want to know how you know you did. A. I know it by the books. I can go to the books and find out.

Q. Well, get the account and bring it in here.—A. I will do

13310 so if my attorney tells me to. I know we spent $250,000 for it.

Q. How do you know it? Did you enter up in the books the exact expenses of traveling men, or what did you do?—A. Yes; we put 185 people in the field in these United States to develop the use of gasoline stoves.

Q. Selling gasoline, weren't they?—A. No, sir; they were developing the use of gasoline stoves. They weren't selling gasoline at all.

Q. Did you keep a separate account of that on the books?—A. Yes, sir.

Q. Have you got the account?—A. No, sir.

Q. Where is it?—A. I don't know where it is.

Q. Well, I want to see it.—A. You will have to refer to our attorney.

Q. Well, you produce it, will you?—A. If he says so.

Mr. CRAWFORD. You let us have a request and we will take it into consideration.

Mr. KELLOGG. You have got the request right there.

Mr. CRAWFORD. Let us hav it in writing.

Mr. KELLOGG. It is in writing now.

Mr. CRAWFORD. You make so many requests and they are so vague it is impossible to say.

Mr. KELLOGG. I make requests and turn them over to you and that is the last I ever hear of them.

Mr. CRAWFORD. That is probably due to their unreasonableness.

Q. The price of gasoline has very largely increased in the last few years, has it not?—A. The price of gasoline has
13311 increased some in the last few years; yes, sir.

Q. Three or four time, has it not?—A. Oh, no, sir; not that much.

Q. It hasn't? What was it selling for in 1897?—A. I don't recollect.

Q. What is it selling for to-day retail?—A. Here in New York.

Q. Oh, no; various places in the West.—A. Oh, retailing all the way from 12 to 15 cents; that is my recollection of it.

Q. Isn't it retailing all the way from 15 to 25 cents?—A. That is probably at garages.

Q. Isn't it retailing from your tank wagons at from 15 to 25 cents in the West?—A. No, sir.

Q. Will you swear there is no place where it is selling for 20 cents?—A. I do not know of one place. I wouldn't swear to it. You say from 15 to 25? I do know we don't. There may be places in the West, in the Dakotas away out West, where they sell at 15 cents from the tank wagon, but we are not selling any gasoline at 25 cents.

Q. Are you not at 20?—A. I don't know of a place, Mr. Kellogg.

Q. You don't?—A. I couldn't tell you.

Q. You are selling ordinary illuminating oil at 23 cents at some places, aren't you, to retailers?—A. Ordinary illuminating oil at 23 cents?

Q. Yes, sir.—A. Not to my knowledge. I don't know of any.

Q. Let me educate you, then.—A. All right.

13312 Q. Aren't you selling illuminating oil in some of the Western States for from 20 to 23 cents a gallon?—A. From tank wagons?

Q. Yes, sir.—A. No, sir; I don't know of any place in my field.

Q. I will show you some places where I think you are.—A. All right.

Q. How much has the price of gasoline gone up?—A. Oh, I couldn't tell you the percentage. It has advanced some along since 1907 or 1908.

Q. Hasn't it doubled since 1897?—A. Well, I hardly think it has doubled, Mr. Kellogg. Possibly it has since 1897.

Mr. CRAWFORD. You said since 1907 and 1908. You mean since 1897 and 1898, don't you?

WITNESS. 1897.

Q. I call your attention to petitioner's Exhibit 395, furnished by the Standard Oil Company. The tank wagon price to the retail dealers of Water White oil, in Butte, Montana, during the year 1904 was never lower than 23 cents and up to 24.

Mr. CRAWFORD. We didn't ask him about 1904.

A. I don't know anything about that, Mr. Kellogg.

Q. Well, 1905, it is 21 to 23.—A. I haven't anything to do with Butte, Montana, or any of those——

Q. Well, that is Standard Oil, isn't it?—A. Oh, I think they sell goods there; yes, sir.

Q. Well, then, do you say that they are not, in some of the Western States, selling gasoline as high as they are illuminating oil?

Mr. CRAWFORD. He didn't say so.

13313 A. I didn't say so. I don't know.

Q. You don't know?—A. No, sir.

Q. Aren't you selling gasoline higher than you are illuminating oil, usually?—A. In some places we are; yes.

Q. Generally, isn't it higher?—A. Pretty generally; yes. It costs more money.

13314 Mr. ROSENTHAL. Mr. Kellogg, I hand you copies of Barnsdall contracts which I have just received [handing papers to Mr. Kellogg].

CHRISTIAN DREDGER, recalled, testified as follows:

Direct examination by Mr. CRAWFORD:

Q. Mr. Dredger, you are the same Mr. Dredger who has previously testified in this case, are you not?—A. Yes, sir.

Q. Have you caused to be prepared from the records of the Standard Oil Company the figures showing the stocks on hand of Lima and Indiana crude oil during the years from 1886 to 1907?—A. Yes, sir.

(Paper marked "Defendants' Exhibit 289.")

Q. I hand you defendants' Exhibit 289. Please look at it. Is that the statement of the figures you just testified to?—A. Yes, sir.

Q. As of what date in the particular year are those figures made up?—A. As of December 31.

Q. That is to say, these figures show that on December 31, 1886, the Standard Oil interests had on hand, stored, of the Lima and Indiana crude, or one or the other, 526,666 barrels?—A. Yes, sir.

Q. And in 1888, on December 31, that stock had increased to 10,036,472 barrels?—A. Yes, sir.

Q. And so continuing year by year, till on December 31, 1896, the stock had risen to 23,302,770?—A. Yes, sir.

13315 Q. Is that correct?—A. Yes, sir.

Mr. CRAWFORD. I offer in evidence defendants' Exhibit 289.

Q. And the figures apparently show a general decline in amount after 1897; and on December 31, 1906, it appears from this that there were on hand of those crudes 6,573,710?—A. Yes, sir.

Q. And at the close of 1907 the amount had been still further reduced to 3,401,274?—A. Yes, sir.

Q. You have prepared and furnished to the Government, and the Government has placed in evidence in this case, various sheets showing the prices at various marketing stations throughout the United States, together with what is entitled "Approximate margins of profit," have you not?—A. Yes, sir.

Q. Have you caused a table to be prepared of those various marketing stations as compared with the amount of business that has been done by the stations and showing the percentages of business done at certain margins of profit?—A. Yes, sir.

(Paper marked "Defendants' Exhibit 290.")

Q. I hand you defendants' Exhibit 290. Will you explain generally what that exhibit shows, taking the title and explaining what that means, and then the subtitles?—A. The exhibit shows that of the approximate margins of profit for tank-wagon oil, based on the sales of Water White oil by tank wagon for the year 1904, stations——

Q. Wait a moment. What do you mean by W. W. oil?—A. Water White oil.

Q. That is the best quality of illuminating oil, is it?—A. Yes, sir.

13316 Q. And that is the quality which is most largely sold?—A. Yes, sir.

Q. And where you say "range of margins," what do you mean by margins?—A. Margins of profit.

Q. That is, the margin above all the cost to the marketing company?—A. Yes, sir.

Q. What do you mean by "W.-P. O. Co.?"—A. That means excluding the business of the Waters-Pierce Oil Company.

Q. Why did you select the year 1904 for this examination?—A. It was the same year that all the other exhibits on these prices had been put in.

Q. That is, you mean you furnished to the Government, at its request, tables of prices for the year 1904—for a certain date in the year 1904?—A. Yes, sir.

Q. And therefore you have made this estimate upon that same year?—A. The same year; yes, sir.

Q. Did the statements furnished by you to the Government for this purpose cover all the marketing stations belonging to Standard Oil interests in the United States?—A. No, sir.

Q. You were not asked to give all, were you?—A. No, sir. About one in two. One to two.

Q. You mean one in three? About one-third?—A. About one-third to one-half at different places.

Q. About what proportion did you give of all? About a third?—A. Based on sales?

13317 Q. No; on the Government exhibits, about how large a proportion of all your marketing stations is shown?—A. About 55 per cent.

Q. Wasn't it about a third of all that you showed upon those exhibits?—A. It ranged from a haf to a third at different places in the country.

Q. Take the second column, that is headed "Per cent total stations shown on petitioner's exhibits"—what does that mean?—per cent of what?—A. It means the percentage of the total business of Water White oil sold by tank wagon.

Q. At the stations which are shown on the Government exhibits does it?—A. No; for the total of all stations.

Q. You don't quite understand me. I mean to say that in that second column you have under consideration only the stations that appear upon the Government's exhibits, have you?—A. In the first column?

Mr. ROSENTHAL. The middle column.

Q. In the middle column, Mr. Dredger.—A. The middle column; yes, sir.

Q. There are three columns, the first being the margins, the second being the one we are now talking about, the third being the per cent total of all stations. Now I am talking about the second column—the middle one—that relates only to the stations and substations which appear upon the Government exhibits.—A. Yes, sir.

Q. The last column—to what stations does that relate?—A. That relates to the total of all stations, excluding stations of the Waters-Pierce Oil Company.

13318 Q. Reading across from left to right, the first item is "Loss," and then under the middle column 4.12 per cent, and under the last column 4.57 per cent. What do those figures mean?—A. The figures mean that all stations showing approximate margins of loss given to the Government, based on the total sales of Water White oil by tank wagon, averaged 4.12 per cent of the total business.

Q. That is to say, all the stations and substations which showed a loss under the margin column——A. Yes, sir.

Q. And in red figures, as made out by you, those considered with reference to the total business of the Water White oil of the company, the tank-wagon business, amounted to 4.12 per cent of the whole, did they?—A. Yes, sir.

Q. That is, 4.12 per cent of the total business done by the same stations, I suppose?—A. By the same stations as given to the Government.

Q. As I understand—to make this entirely clear—the 4.12 per cent does not mean 4.12 per cent of stations, but 4.12 per cent of the total business done by the stations upon the Government's exhibits?—A. Yes, sir.

Q. And that stations doing that amount of business showed a loss upon the Government's exhibits?—A. Yes, sir.

Q. Now, then, taking all the stations of the Standard Oil interests, except the Waters-Pierce stations, into account, what do you find there as to the percentage which shows a loss?—A. It shows that 4.57 per cent of the total business at all stations showed a loss in that year.

Q. Now, then, a similar explanation applies to the rest of the exhibit, does it?—A. Yes, sir.

13319 Q. So that of the total stations shown on the Government exhibits, those which show an approximate margin of profit of one cent or under, did, in 1904, 23.69 per cent of the total Water White tank-wagon business done by all the stations shown upon the Government's exhibits?—A. Yes, sir.

Q. And that similarly, of all of the stations whatsoever, except Waters-Pierce stations, those showing a margin of one cent and under did a business of 21.49 per cent of the total Water White tank-wagon business?—A. Yes, sir.

Q. In like manner, for the margin showing from 1 to 2 cents profit there are 44.45 per cent on the Government's exhibits, 42.91 upon all stations?—A. Yes, sir.

Q. And from 2 to 3 cents, 24.08 per cent on the stations on the Government's exhibits and 26.67 per cent upon all stations?—A. Yes, sir.

Q. That is to say, in each case and as to all of these different margins of profits, what you say is that the stations in either class, as the case may be, which show in 1904 a margin of profit as here designated, were the stations which collectively did the percentage of the total business of all the stations in the group as you have stated here?—A. Yes, sir.

Q. Now, the stations which showed more than 3 cents profit upon the Government exhibits aggregate what per cent? Will you just add it up?—A. 3.66.

Q. Then, the stations shown upon the Government's exhibits which show a margin of profit of 3 cents and over were the stations

13320 which did in the aggregate only 3.66 per cent of the total Water White tank-wagon business done by all the stations and substations shown upon the Government's exhibits?—A. Yes, sir.

Q. And will you in like manner figure up the total percentage in the last column of 3 cents and upwards?—A. 4.36 per cent.

Q. So that I understand you to say that of all the stations and substations of the Standard Oil companies, except the Waters-Pierce stations, those which show in 1904 a margin of profit of 3 cents and over did a business in Water White tank-wagon oil that amounted to only 4.66?—A. 4.36.

Q. 4.36—of all the Water White tank-wagon business done by all the stations of the Standard Oil companies in the United States, except the Waters-Pierce Company?—A. Yes, sir.

Mr. CRAWFORD. I offer defendants' Exhibit 290 in evidence.

Q. Mr. Dredger, have you caused to be prepared a table showing the total sales of finished naphtha in the United States by Standard Oil interests from 1895 to 1906, inclusive?—A. Yes, sir.

(Paper marked "Defendants' Exhibit 291.")

Q. (Handing witness Exhibit 291.) Is that the statement to which you just testified?—A. Yes, sir.

Q. Now, it would appear from this that in 1895 the total sales of finished naphtha were 2,216,789?—A. Yes, sir.

Q. That in 1898 these had increased to 2,725,280?—A. Yes, sir.

Q. And that there was a tolerably steady increase until in the year 1906, when the total sales were 4,967,960; is that correct?—A. Yes, sir.

Mr. CRAWFORD. I offer defendants' Exhibit 291 in evidence.

13321 Q. Mr. Dredger, have you caused to be prepared sheets showing the total number of barrels of refined oil and naphtha and the net earnings and earnings per barrel in different parts of the United States for the years 1895, 1896, 1897, and 1898?—A. Yes, sir.

(Papers marked "Defendants' Exhibits 292-A, 292-B, 292-C, and 292-D.")

Q. Will you look at defendants' Exhibit 292-A and state whether that is the statement that you have prepared for the year 1895?—A. Yes, sir.

Q. I also show you defendants' Exhibits 292-B, C, and D. Are these the statements that you have prepared similarly for the years 1896, 1897, and 1898?—A. Yes, sir.

Mr. CRAWFORD. I offer in evidence defendants' Exhibits 292-A, 292-B, 292-C, and 292-D.

(Paper marked "Defendants' Exhibit 293-B.")

Q. I show you the printed copy of petitioner's Exhibit 628, also of petitioner's Exhibit 379. I also show you defendants' Exhibit 293-B, and ask you to compare that with petitioner's Exhibit 628 and state how it differs from petitioner's Exhibit 628. Take the first column, which is headed "Average refinery prices of all deliveries Water White oil." Now, how does this Exhibit 293-B differ from petitioner's Exhibit 628 in that column?—A. Petitioner's Exhibit 628 starts with the year 1898; defendants' Exhibit 293-B starts with the year 1895.

Q. Where did you get the figures in that column for the years 1895, 1896, and 1897?—A. From petitioner's Exhibit 379.

Q. Now, in the second column of defendants' Exhibit 293-B, which is headed "Average profit of domestic marketing companies on illuminating oil in the United States," state how that column differs from the corresponding column in petitioner's Exhibit 628.—A. Petitioner's Exhibit 628 begins with the year 1898; defendants' Exhibit 293-B begins with the year 1895—for 1895, 1896, and 1897.

13322 Q. Where did you get the figures for the average profit of domestic marketing companies for the years 1895, '6, and '7?—A. From original papers.

Q. Are not the figures which are given there derived from these exhibits which you have just placed in evidence? Look at defendants' Exhibits 292–A, 292–B, and 292–C.—A. Yes, sir.

Q. Now, take 1895. Take defendants' Exhibit 292–A; that shows what amount, under the head of earnings per barrel, for the total United States?—A. 60 cents per barrel.

Mr. KELLOGG. That is perfectly explained by the original exhibit, is it not? What is the use of going into that? These columns are all explained.

Mr. CRAWFORD. All right, Mr. Kellogg. I shall not take very long.

Q. And reduced to gallons, that is how much?—A. 1.20 cents per gallon.

Q. So that is the figure which you have placed in the column in defendants' Exhibit 293–B, is it?—A. Yes, sir.

Q. And similarly you derive from defendants' Exhibits 292–B and 292–C the figures .92 for 1896 and .96 for 1897, which are set forth in the second column of defendants' Exhibit 293–B, do you?—A. Yes, sir.

Q. The third column in defendants' Exhibit 293–B, which is headed "6.44 cents," being the total net price to dealers exclusive of marketing cost and freight, differs from petitioner's Exhibit 628 in the same way, does it not, by having the figures for 1895, 1896, and 1897?—A. Yes, sir.

13323 Q. And these figures are simply the sum of the corresponding figures in the first two columns, are they not?—A. Yes, sir.

Q. In the same way you have entered in the fourth column of defendants' Exhibit 293–B the figures for 1895, 1896, and 1897 of the average marketing cost, have you not?—A. Yes, sir.

Q. And in the last column you have figures for the same years, being the totals of the third and fourth columns?—A. Yes, sir.

Mr. CRAWFORD. I offer in evidence defendants' Exhibit 293–B.

(A paper was marked "Defendants' Exhibit 293–C.")

Q. I hand you defendants' Exhibit 293–C. That is similar, is it not, to petitioner's Exhibit 629, with certain additions?—A. Yes, sir.

Q. The additions consist of figures in each column for the first three years, do they not?—A. 1895, 1896, and 1897, yes.

Q. And you have derived them similarly, either from government exhibits in the case or from these sheets, defendants' Exhibits 292–A, 292–B, 292–C, and 292–D, have you not?—A. Yes, sir.

Q. And the general explanation in regard to them is the same as you have given for defendants' Exhibit 293–B?—A. Yes, sir.

Mr. CRAWFORD. I offer in evidence defendants' Exhibit 293–C.

(A paper was marked "Defendants' Exhibit 293–A.")

13324 Q. I hand you defendants' Exhibit 293–A. Have you prepared or caused to be prepared this statement?—A. Yes, sir.

Q. Looking at the lower half of the sheet, headed "Crude oil," will you state what these figures show? Take the first column and then

the second column.—A. It shows the average prices of South Lima crude per barrel; the second column shows the average prices of South Lima crude reduced to a gallonage basis; the third column shows the average prices of Pennsylvania crude oil per barrel; the fourth column shows the average prices of Pennsylvania crude oil on a gallonage basis.

Q. How do you reduce barrels to gallons?—A. Basing the barrel as of 42 gallons.

Q. That is, you divide the barrel price by 42, to get the gallon price?—A. Yes, sir.

Q. And from what source did you derive these average prices per barrel of the two kinds of crude?—A. Based on the published quotations.

Q. For the separate years?—A. Yes, sir.

Q. And these are the average prices for the whole year?—A. Yes, sir.

Q. For the several years?—A. Yes, sir.

Q. Now, look at the upper part of the sheet, which is entitled "Commodities. Relative prices all commodities per Bureau of Labor Bulletin No. 75, page 292, and percentages of increase over 1895." From what source did you derive the figures in the second column, which is headed "Relative prices all commodities?"

13325 I hand you a copy of the bulletin of the Bureau of Labor, issued by the Department of Commerce and Labor of the United States Government, No. 75, for March, 1908, printed by the Government Printing Office in Washington, and on page 292 call your attention to a table of figures. Looking at that, will you answer my question?—A. These were taken from page 292 of the said bulletin, and correspond with the figures published for 1895, 1896, and so on, up to the year 1906.

Q. You say they correspond to them. You mean they are the same figures?—A. They are the same figures, under the head of "Relative prices all commodities."

Q. What are the figures in the last column on defendants' Exhibit 293-A, headed "Percentages of increase over 1895?" How did you derive those?—A. Using the 1895 price of 93.6 as a basis, or 100 per cent, the difference between the 1895 and 1896 price, 90.4, would give that percentage of increase or decrease as shown in the last column, 96.58, corresponding to the 1895 price of 100 per cent.

Q. And so on throughout that column?—A. Yes, sir.

Q. That is to say, the percentage in the last column, set opposite each year, is the percentage with reference to 1895 which the figure in the second column bears to the figures set in that column?—A. Yes, sir.

Q. That is, taking 1906, the figure 122.5 in 1906, in the second column, is 130.88 per cent of the figure in the second column opposite the year 1895, to wit, 93.6, is it?—A. Yes, sir.

13326 Q. And so on through all the other years?—A. Yes, sir.

(Paper marked "Defendants' Exhibits 293–D and 293–E.")

Q. I hand you defendants' Exhibits 293–D and 293–E, also defendants' Exhibits 293–A, 293–B, and 293–C. Look first at 293–D. Taking the first column, which is headed "Average refinery price of all deliveries of Water White oil reduced to 1895 basis," will you explain how the figures under that column were derived? You may compare 293–D with 293–B in making your answer.—A. The 1895 price was a basis price equivalent to the 1895 relative prices all commodities. The 1896 price, on 293–B, 4.93 cents per gallon, reduced to an 1895 basis, by using the percentage on defendants' Exhibit 293–A (96.58 per cent), would make——

Q. That is to say, you took the price on Water White oil as given in the first column of 293–B, or 1896, and divided it by .9658.—A. Yes, sir.

Q. ——opposite the year 1896, on the last column, upper half, of defendants' Exhibit 293–A; is that right?—A. Yes, sir.

Q. Now, the other figures, given in the first column of defendants' Exhibit 293–D, were they similarly derived from the figures in the first column of defendants' Exhibit 293–B, by dividing by the corresponding decimals?—A. Yes, sir.

Q. That is, I mean to say that taking year by year the prices in the first column of defendants' Exhibit 293–B, you divided them by the decimals shown in the last column of the first half of defendants' Exhibit 293–A?—A. Yes, sir.

13327 Q. And the results are set down in the first column of defendants' Exhibit 293–D?—A. Yes, sir.

Q. Are the second and third columns of 292–D similarly derived from the second and third columns of 293–B, by dividing by the same decimals?—A. Yes, sir.

Q. And the results are as set down in defendants' Exhibit 293–D?—A. Yes, sir.

Q. What does the last column of defendants' Exhibit 293–D show?—A. It shows the increase or the decrease on an 1895 basis as compared with the prices for 1895.

Q. It shows, as far as defendants' Exhibit 293–D is concerned, the increase or decrease of the figures set opposite the various years in the third column, as compared with the price of 1895, does it?—A. Yes, sir.

Q. And it shows that the prices in all the years subsequent to 1895, so far at least as they are set down in that column, were less than the year 1895, except in the two years 1903 and 1904; is that correct?—A. Yes, sir.

Q. Now look at defendants' Exhibit 293–E. Is this a similar computation, with reference to naphtha?—A. Yes, sir.

Q. And that has been derived, has it not, by you, from the figures shown in the first three columns of defendants' Exhibit 293–C?—A. Yes, sir.

Q. By dividing by the same decimals in each case?—A. Yes, sir.

Q. And the figures in the last column, red or black, show decrease or increase of the prices set down in that third column, as compared with the prices of 1895?—A. Yes, sir.

13328 Q. You have used, in both defendants' Exhibits 293-D and 293-E, the phrase, in numerous places, "reduced to 1895 basis." What do you mean by that? I do not ask you to explain or justify it, but simply state what you did and what you mean by those words. State generally, without going into details. You mean, do you not, that these figures on defendants' Exhibits 293-D and E are the results of the divisions of the figures on defendants' Exhibits 293-B and C by that column of decimals as you have stated?—A. Yes, sir.

Q. That is what you mean by "reduced to 1895 basis?"—A. Yes.

Q. You believe all these computations to be arithmetically correct?—A. Yes, sir.

Mr. CRAWFORD. I offer in evidence defendants' Exhibits 293-A, 293-B, 293-C, 293-D, and 293-E, if they have not already been offered.

Cross-examination by Mr. KELLOGG:

Q. Referring to defendants' Exhibit 289, you keep in your office, do you, a record of the stocks on hand, each grade of oil, each field, don't you?—A. Yes, sir.

Q. So you have what is known as the Pennsylvania crude, amount in stock, and Lima-Indiana crude, amount in stock?—A. Yes, sir.

Q. The Mid-continent oil, Kansas, and Oklahoma, in stock, haven't you?—A. I do not think we have the fields other than Pennsylvania and Lima.

13329 Q. Certainly the Standard Oil knows the amount of crude oil it keeps in stock, doesn't it?—A. Very likely. I don't think that we have it in our office.

Q. You have no records of the crude of the Mid-continent field at all?—A. I say, possibly we have. I am not sure.

Q. I wish you would look and see if you have.—A. Yes, sir.

Q. And do you also keep the amount in stock in California?—A. Yes, sir.

Q. Do you in Illinois?—A. That I am not sure of.

Q. Will you look and see?—A. Yes, sir.

Q. So that you could make a statement similar to defendants' Exhibit 289, of the amount of oil in stock in each field, if you have the Mid-continent and the Illinois?—A. Yes, sir.

Q. Will you please make each one separately, a schedule like defendants' Exhibit 289, for the amount in stock of Pennsylvania crude, of Mid-continent crude, Illinois crude, and California crude?

Mr. ROSENTHAL. Put those requests in writing, Mr. Kellogg, so we can get them.

Mr. KELLOGG. I will have those dictated this noon.

Q. I wish you would look at defendants' Exhibit 290. What parts of the United States show the highest profit, or margin, as you call it, in tank wagon sales?

Mr. CRAWFORD. I object to that on the ground that the exhibits show it.

A. I think it is in the exhibits.

Q. It is generally in the western and in the mountain
13330 States, is it not, and in the Southern States?—A. I do not know.

Q. Can't you tell by looking?—A. I can take the exhibits and look through the exhibits.

Q. Take Colorado. You know in a general way, don't you?—A. I don't pay any attention to them.

Q. You made those exhibits up, didn't you?—A. Certainly.

Q. You have no recollection?—A. I have forgotten them.

Q. Those exhibits show the tank wagon sales, don't they, alone?—A. Based on the tank wagon sales alone.

Q. So you keep the records of the tank wagon sales and the bulk or barrel sales separately, don't you?—A. Bulk and barrel together?

Q. Yes.—A. Separately from tank wagon.

Q. I mean you keep them separate from tank wagon sales.—A. Yes, sir.

Q. So that you know, for each division and each State, the amount sold by tank wagon and the amount sold by bulk and barrel?—A. Yes, sir.

Q. And cans, and other ways?—A. Just the two divisions.

Q. Well, the bulk and barrel, yes. Now, is it not a fact that in those States where the price is highest and the margin is greatest, your bulk and barrel sales are the largest?—A. I would have to look it up for you.

Q. Especially in iron barrels. You know that in the old settled States of Ohio, Pennsylvania, and New York your price is lower and your margins are lower than they are in Colorado, Utah, Wyoming, and those Western States, don't you, and in the
13331 Southern States?—A. I do not have anything to do with the margins or the profits.

Q. I didn't ask you whether you fixed them or not. But you made up all these records, didn't you?—A. Yes, sir.

Q. And in making up these records you had to make the margin for each State and each division, didn't you?—A. I took the stations; each individual station.

Q. Yes, but you took them from the books, didn't you?—A. From the records; yes.

Q. And you know whether a certain margin is 5 cents in Colorado or 4 cents or 1 cent in Ohio, don't you?—A. Yes, sir.

Mr. ROSENTHAL. He does if his attention was called to it, certainly.

Mr. CRAWFORD. It is over a year ago that he made those up.

WITNESS. It is all in the exhibits.

Mr. ROSENTHAL. Isn't that already in this case, Mr. Kellogg, over and over again?

Mr. KELLOGG. No, it is not.

Mr. ROSENTHAL. Through the exhibits?

Mr. KELLOGG. No, it is not, Mr. Rosenthal.

Q. Just run those over, will you [handing witness a volume of exhibits]?

Mr. CRAWFORD. What are you referring the witness to, and what page?

Mr. KELLOGG. I am showing him petitioner's Exhibit 391, page 923, volume 8.

Q. Isn't it a fact that throughout the Western States, the sparsely settled country, the margins of profit are higher and
13332 the price higher than in the old settled States like Ohio and Pennsylvania?

Mr. ROSENTHAL. That is conceded of record.

Mr. KELLOGG. Very well.

Q. Isn't it a fact that in those States the percentage of sales by barrel in bulk, and in cans, is greater than in the old settled States, where the price is lower?—A. I will have to look it up for you.

Q. Well, look it up, if you can't tell without. If that is true, then defendants' Exhibit 290 would not be a fair representation as to the percentage of the total business of the Standard Oil in the United States, would it?

Mr. CRAWFORD. I object to the question, because it assumes things which have not been claimed and things which have not been proved.

Mr. KELLOGG. Well, they will be.

Mr. CRAWFORD. That's all right. You better prove them first.

Q. Because defendants' Exhibit 290 is simply tank-wagon sales—isn't it?—A. Yes, sir.

Q. Now, then, if you are selling oil by tank wagon at a high price, in Colorado, it is not likely you are selling oil by barrel and bulk delivery at a low price, is it?—A. I have nothing to do with prices, Mr. Kellogg.

Q. And you don't know anything about it?—A. No.

Q. Although you made up these exhibits?

Mr. ROSENTHAL. He made them up merely as a bookkeeper. What is the use of wasting time on that? He made them up from
13333 the books and records themselves.

Q. Defendants' Exhibits 292-A, 292-B, 292-C, and 292-D, simply carry back the Government exhibit to the years 1895, 1896, and 1897, do they not?—A. Yes, sir.

Q. Where did you get the figures for 1895, 1896, and 1897?—A. From original papers.

Q. Didn't you have a record in your office of those years, a year ago?—A. No, sir.

Q. Why didn't you furnish them to Mr. Durand, a year ago, when he asked for them?—A. We didn't have them.

Q. You remember his asking for them, don't you?—A. Yes, sir.

Q. And you stated to him that you didn't have them?—A. Yes, sir.

Q. How have you got them since?—A. I went through a mass of old papers and found the original papers.

Q. And made these up from the originals?—A. Made these up from the originals. At the time Mr. Durand asked for them, they had only made the large sheets, beginning with 1899, and the natural assumption was that we had no records previous to that time.

Mr. ROSENTHAL. What have you done since?

WITNESS. Since 1899?

Mr. ROSENTHAL. No; what have you done since, in carrying back that investigation?

Q. Since last year what have you done?—A. I went through all of the old records I possibly could think of, and located the years 1895 to 1898.

13334 Mr. CRAWFORD. Located them in one place, or in many places?

WITNESS. In many places; the original papers.

Mr. CRAWFORD. You got together fragments here and there and put them together, did you?

WITNESS. Yes, sir.

Q. You had all the records from which to compile them, hadn't you, in your office?—A. No, sir.

Q. Where did you get them?—A. We got them from all sources.

Q. Well, where?—A. From old records that I was able to dig up.

Q. They were in your office, weren't they, these records?—A. No, sir.

Q. Where were they?—A. I found some of them in vaults, that had been put down there.

Q. They were in the——

Mr. ROSENTHAL. Let him finish. Where did you find the others?

WITNESS. Some of the records we estimated.

Q. What?—A. Some of the figures we had to estimate.

Q. Some of them are estimates merely?—A. Yes, sir. It shows on the exhibits.

Mr. CRAWFORD. What ones are estimated?

WITNESS. The Standard Oil Company of Kentucky figures.

Mr. CRAWFORD. That is the only one that is estimated, isn't it?

WITNESS. Yes, sir.

Mr. ROSENTHAL. It shows in every instance on the exhibit itself.

13335 Q. Did you find any record back of 1895?—A. No, sir.

Q. Did you look for any?—A. I didn't come across any.

Q. Did you look for any back of 1895?—A. Naturally they would have been put in the same places.

Q. I am asking you if you looked for any of the records back of 1895.—A. No, sir.

Q. And you didn't find any for any company back of 1895?—A. No, sir.

Mr. CRAWFORD. Won't you state, so that the court and Mr. Kellogg can understand, how you made the estimate for the Kentucky figures? Take the exhibits [handing papers to witness].

WITNESS. The estimate for Kentucky figures was made using the years 1898 to 1902, taking the total west for those years, and finding an average profit per barrel for refined oil and naphtha; then taking the same figures for the Standard Oil of Kentucky, 1898 to 1902, finding the percentage, and using that to make up the figures for 1895 to 1897, inclusive.

Q. These exhibits, 292–A, 292–B, 292–C, and 292–D, are the profits of marketing companies derived by taking the price paid the refinery company from the total price, and also the expenses? That is, before arriving at the profits of the marketing companies you deducted the refinery price, didn't you, for those years?—A. No; these are the original papers, made out by the companies themselves.

Q. I know. But you first had to get the refinery price
13336 before you could find out the profit, didn't you?—A. I! No, sir.

Q. Well, the companies did, didn't they? For instance, the Standard Oil Company of Indiana keeps a marketing department, doesn't it?—A. Yes, sir.

Q. And the price charged to the marketing department by the Standard Oil Company of Indiana is the price of the oil at the refinery, isn't it? Where do you get the refinery prices in these various exhibits that you made up?—A. Those are the prices reported by the refineries themselves.

Q. Yes; and they are of record in your office?—A. Yes, sir.

Q. Have you got those refinery prices for 1895, 1896, and 1897?—A. They are in the exhibit.

Q. Have you got them further back than 1895, 1896, and 1897?—A. Possibly they run back for two or three years previous to that.

Q. Don't they run back a good many years?—A. I don't think so.

Q. Have you looked to see? (No answer.)

Q. Haven't you got in your office the refinery prices of the various refineries to the marketing companies back as far as 1885, 1886, and 1887?—A. I don't think so. I will look, though, if you want it.

Q. I wish you would. (No response.)

13337 Q. Will you look at defendant's Exhibit 293–A? Referring to defendants' Exhibit 293–A, you have only given the prices of South Lima crude and the Pennsylvania crude, haven't you?—A. Yes, sir.

Q. Why didn't you put into that exhibit the price of Illinois crude and the price of Mid-continent crude?

Mr. ROSENTHAL. Why, the exhibit is there for just what it shows, Mr. Kellogg.

Q. I know, but why didn't you put in, in order to make it a fair statement, all the prices of crude?—A. Why, they don't go back all those years.

Q. I know they didn't go back all those years, but they go part of the time, don't they?—A. Yes, sir.

Q. Now, take 1906. Large quantities of Mid-continent crude were used by the Standard Oil Company in refining; isn't that true?—A. Yes, sir.

Q. And the cost of that crude was in the neighborhood of 41 cents a barrel, wasn't it, Mr. Dredger?—A. I don't know what it was.

Q. Your books—your records show, don't they?—A. Most likely the records show what they were.

Q. Have you any recollection whatever about it?—A. Not a bit.

Q. Aren't you constantly working over such figures as these?—A. Yes, sir; and try to forget them just as much.

Mr. CRAWFORD. Is it possible, Mr. Dredger, to produce all the figures for the crude which Mr. Kellogg has asked you for with reference to domestic and export sales?

Mr. KELLOGG. I don't care anything about that.

13338 WITNESS. It is impossible to separate the amount of crude oil that is used for domestic trade and for export business.

Mr. KELLOGG. Have I asked you to separate it? Have I asked you to make any such separation?

Mr. CRAWFORD. You have asked him why he didn't give all the crude.

Mr. KELLOGG. No.

Mr. CRAWFORD. Or an average for all the crude.

Mr. KELLOGG. Yes; produced and refined. I have not asked him to make any separation.

Mr. CRAWFORD. Is it possible to give an average of all the crude which would apply only to the domestic trade?

WITNESS. I don't think so.

Mr. KELLOGG. Well, wait until he has been asked to do so.

Mr. CRAWFORD. These figures apply to domestic trade, and not to foreign trade?

WITNESS. Yes, sir.

Q. Both of these kinds of crude are used in export oil, aren't they?

Mr. CRAWFORD. Yes; but these are market quotations, not average prices.

Q. Mr. Dredger, you can give the refinery price of crude oil in each division, can't you, in your office?

Mr. CRAWFORD. What do you mean by "each division?"

Mr. KELLOGG. Pennsylvania oil, Lima, Ohio, oil, Illinois oil, California oil, and Mid-continent oil.

A. Give you the quotations?

Q. Well, give us the quotations, then. Your office has the 13339 record showing the amount of each kind of crude manufactured in the various refineries, has it not?—A. No, sir.

Q. It has no such record?—A. No, sir.

Q. You have the amount of crude refined, haven't you?—A. No, sir.

Q. Have no such record in your office?—A. No, sir.

Mr. ROSENTHAL. You mean his—Mr. Dredger's—office.

Q. What office does have them?—A. I don't know.

Q. You have the quotations, then, have you?—A. Yes, sir.

Q. Of the price of crude in each field?—A. Yes, sir.

Q. For each of these years? That is, where it is produced, I mean.—A. Yes, sir.

Q. Then, will you give us that?—A. Yes, sir.

Q. Corresponding to defendants' Exhibit 293–A. Do you have the figures in your office showing the cost of refining?—A. No, sir.

Q. No such tables or reports are made to you at all?—A. No, sir.

Mr. KELLOGG. Will you come back at 2 o'clock, after I have looked these exhibits over? I may want to ask you some more questions.

(A recess was here taken until 2 o'clock p. m.)

13340 CHRISTIAN DREDGER recalled, and his cross-examination resumed, as follows:

By Mr. KELLOGG:

Q. Mr. Dredger, do you have statistics showing refinery prices on the lubricating oil and paraffin wax?—A. No, sir.

Q. Not in your office?—A. No, sir.

Q. Do you have any records of the prices of those products at all?—A. No, sir.

Mr. Kellogg asked that the following request be incorporated in the record:

NEW YORK, *December 9, 1908.*

REQUESTS MADE OF MR. DREDGER.

Produce the following:

(1) Refinery prices of the several grades of illuminating oil and naphtha, for all refineries of the Standard Oil Company combined, for the years 1885 to 1894, both inclusive, or as far back as possible, corresponding to petitioner's Exhibits 379 and 384. Also the average refinery price of all Water White and all Standard White oil, separately, at each refinery separately, for the years 1885 to 1894, inclusive, or as far back as possible, corresponding to petitioner's Exhibit 382.

(2) Average annual price, based on market quotations, for
13341 Illinois crude oil, and for Midcontinent crude oil, of 32 degrees gravity, and of the several grades of California and Texas crude oil, for the years 1901 to 1907, inclusive.

(3) Quantity of crude oil of the Appalachian (or Pennsylvania) field, the Illinois field, and the Midcontinent field, separately, held in stock by the Standard's pipe lines at the end of each year, 1886 to 1907, both inclusive.

(4) Ascertain whether it is not a fact that in the Rocky Mountain and Pacific Coast States the proportion of oil sold in barrels, bulk, and cans, as distinguished from the oil sold by tank wagon, is not much greater than in the eastern States generally.

Mr. ROSENTHAL. We will consider those, of course.

13342 JOSEPH FRENCH JOHNSON, called, being duly sworn, testified as follows:

Direct examination by Mr. CRAWFORD:

Q. Mr. Johnson, you reside in this city?—A. Yes, sir.

Q. You are connected with the New York University, are you not?—A. Yes, sir.

Q. And in what capacity?—A. I am professor of political economy in the university, and dean of the University School of Commerce, Accounts, and Finance.

Q. Where were you graduated?—A. From Harvard; 1878.

Q. For a number of years I believe that you were connected with various newspapers, were you not?—A. Yes, sir.

Q. What was the period covered?—A. The Springfield Republican, from 1881 until 1884; the Chicago Tribune, from 1886 until 1890.

Q. As what?—A. As financial editor.

Q. Yes.—A. And with the Spokane Spokesman from 1890 till 1893, as managing editor.

Q. In 1893 what position did you take?—A. I became professor of finance in the University of Pennsylvania.

Q. And so continued how long?—A. Until 1901, when I came to New York University.

Q. And you have been with the New York University ever since?—A. Yes, sir.

Q. You also had some connection with the Columbian University at Washington, hadn't you?—A. I was a lecturer on finance—

13343 a nonresident lecturer on finance—in Columbian University at Washington from 1898 until 1902.

Q. Have you made a special study of finance and of prices and of money in relation to prices?—A. I have; yes, sir.

Q. About when did your study of those subjects begin?—A. When I was financial editor of the Chicago Tribune, in 1886.

Q. And those subjects have been matters of study with you ever since, have they?—A. Yes, sir.

Q. For some twenty-two years?—A. Yes, sir.

Q. Are you a member of any learned societies?—A. The American Economic Association and the Academy of Political and Social Science.

Q. In addition to your A. B. degree, have you another degree, and if so, what is it?—A. I have the degree of doctor of commercial science from Union College.

Q. And have you published various books and pamphlets and articles on the general subject you are speaking of?—A. I published a great many articles and two books. The first book was in 1899, entitled "Syllabus of Finance." The second book was published in 1906, entitled "Money and Currency."

Q. I hand you a pamphlet entitled "Bulletin of the Bureau of Labor, No. 75, March, 1908," published by the Department of Com-

merce and Labor of the United States Government, and printed at the Government Printing Office in Washington, and call your attention to a diagram on page 293 of that pamphlet. Have you seen this diagram before [handing book to the witness]?—A. Yes, sir.

13344 Q. The diagram is entitled "Relative prices of all commodities, 1890 to 1907." Will you explain the diagram and what it is intended to show?—A. The diagram is intended to show, as is explained in the volume itself, changes in the general level of prices.

Q. Between what years?—A. Between the years 1890 and 1907.

Q. And where; I mean in what country?—A. In the United States; mainly New York markets and Chicago markets—the primary markets.

Q. But it relates only to the United States, does it?—A. It relates solely to the United States; wholesale prices. It relates altogether to wholesale prices. The term "relative prices," sometimes called the "index number," is an average of prices reduced to a decimal basis. All of this is explained, by the way, in the volume—either in this volume or some other volume.

Q. I would like to have you explain it, because we are not going to put the whole volume in evidence.—A. It is impossible to strike an average of the price of a ton of coal and a thousand feet of lumber and the price of a yard of cotton cloth so that the statisticians of the Government, in preparing this chart, intended to show the changes in the general level of prices, reduce all prices to a decimal basis in this way: They find what the average price is in a given year of a particular commodity and call that 100. If the price happens to be 8 cents and the price next year is 10 cents, that is an increase of 25 per cent. So, on this chart, or in the table of relative prices

13345 from which this chart is constructed, the price for the first year would be 100 and for the second year 125.

Q. You mean in the example that you spoke of?—A. In that example.

Q. That is, where you started with 8 cents and the next year it was 10 cents?—A. Yes; if it happened to be a commodity that was sold by the yard, it was 8 cents one year and 10 cents the next, in the table or list of relative prices the first year would appear as 100 and the second as 125, showing an advance of 25 per cent. It is necessary to do that, because an advance of 2 cents in the price of a yard of cotton indicates a much greater change in the level of prices than an advance of 20 cents in the price of a ton of coal. In other words, the figures of relative prices are constructed so as to show the percentages of increase in prices, whether the articles quoted are in yards, pounds, tons, or bushels.

Q. How are the index numbers derived in the particular chart which you are now considering—the one contained in the Government bulletin?—A. I understand that the index number, or the relative prices, are obtained in the case of each commodity by averaging the

monthly prices. The statisticians get the price of an article each month in a given year, add those twelve prices and divide by 12, and so get the average price for the year. And they have done that in the case of 258 commodities.

Q. That is to say, in preparing this table that you have before you they have taken the average prices for 258 commodities in order to arrive at the general average that the table shows, have they?—A. In adding up the prices of the 258 commodities——

13346 Q. That is, adding up the percentages?—A. Yes. Adding up these relative prices of the 258 commodities and dividing by 258 gives them what is called the relative prices of all commodities. That word "all" perhaps ought to be "258 commodities."

Q. And do you remember how those 258 commodities are selected in this instance, and what range they cover?—A. They cover raw materials, farm products, and manufactured articles. The classes are stated, I think, in "raw commodities" and "manufactured commodities." Those are two general divisions. There are some subdivisions. The different subdivisions are stated on page 284: "Farm products," "Food," "Cloths and clothing," "Fuel and lighting," "Metals and implements," "Lumber and building materials," "Drugs and chemicals," "House furnishing goods," and "Miscellaneous."

Q. And all those different classes of articles have been taken into account in the construction of this chart?—A. Yes, sir.

Q. How does it appear that the starting point—in other words, the 100 per cent—is determined for this particular chart?—A. The statisticians who prepare this chart, or who compute the relative prices on which this chart is based, have selected an average price as their basis or starting point; that is to say, the average of prices from 1890 to 1899.

Q. That is to say, they have taken in the case of each commodity the prices for that commodity in each one of those ten years and secured an average of those ten-year prices, and then averaged

13347 again all the commodities together; is that correct?—A. And called that average 100.

Q. And then the changes from year to year are shown relative to that ten-year average price as a starting point?—A. Yes, sir. When the line drops, as it does between 1890 and 1897, that means that the general level of prices with respect to the average for the decade, 1890 to 1899, declined from 113 to about 89.

Q. That is from 1890 to 1897, isn't it?—A. 1897.

Q. I think you said 1899. You mean 1897?—A. I mean 1897 was the lowest point.

Q. Then, this table shows, does it, in the way that you have described, the course of the average of the prices of the 258 commodities which you have spoken of, from the year 1890 to the year 1907?—A. Yes, sir.

Q. And those are shown, are they not, by the black line appearing upon this chart?—A. Yes, sir.

Q. The index numbers of which you spoke are shown in the left-hand column under the head of "relative prices," are they not?—A. They are.

Q. 100 being the starting point for reckoning back, up and down?—A. Yes, sir.

Q. And the figures at the top show the years?—A. Yes, sir.

Q. From 1890 to 1907; a line under each year. Are these 258 articles selected by the Government for the purpose of constructing this table fairly representative of the whole range of commodities, in your judgment?—A. That was the purpose in view when
13348 they were selected. It was intended that they should be representative commodities, so that changes in the prices of these 258 commodities would almost necessarily be accompanied by changes in prices of other articles less important than these, because these include all the important raw materials. A rise in the price of an important raw material is naturally followed by a rise in price of a manufactured article out of that material.

Q. Then, you would consider those 258 commodities fairly representative of the whole range of commodities, would you?—A. Yes, sir.

Q. It would appear, then, from this chart that prices in 1890 were at a distance of 13 per cent above the average starting point of 100?—A. Correct.

Q. That is, about 113?—A. They were.

Q. And from 1890 what is the course of prices until you come to 1897—the general course?—A. Downward.

Q. Steadily downward, is it not?—A. Steadily downward.

Q. And what do you find the lowest point of prices?—A. Prices were lowest in 1897, the average of prices for that year being a little under 90—about 89.

Q. Will you compute roughly (you can take a pencil and do it if you like) what the percentage of decline in prices was from 1890 to 1897?—A. From 113——

Q. From 113 to about 90, was it not?—A. Yes; a decline of 20 per cent; a decline of 20 per cent for that period in prices.

Q. A decline of 20 per cent. Now, from the lowest point which general prices reached in 1897, what was the course, or the
13349 trend?—A. Prices rose very rapidly during the next three years until 1900.

Q. And what do you find them in 1900?—A. About 110½.

Q. And in percentages what would that indicate of the per cent of the increase in price in 1900 as compared with 1897—the lowest point?—A. That is a rise from 90 to 110½—a rise of 20 points on 90. About 26 per cent would be about the estimate I would figure that.

Q. Not quite as much as that?—A. Not quite.

Q. Not quite as much as that?—A. 22 2/9.

Q. So that from 1897 to 1900, in those three years, general prices shot up an amount equal to 22 per cent, taking the prices in 1897 as a base; is that correct?—A. That is right.

Q. And then with some fluctuations what has been the general course of prices since 1900?—A. A slight decline of prices after 1900. That is to say, the average for 1901 was 107½ about; in other words, about 3 points lower than the average for 1900. After 1901 there was a pretty regular advance of prices, except that in the years 1903 and 1904 there was a tendency for prices to decline; after 1904 a very rapid advance until 1907.

Q. What point do you find general prices had reached in 1907?—A. 129 and a fraction.

Q. Comparing that with the lowest point—the price of 1897—about what was the percentage of increase between those two years?—A. About 44 per cent.

13350 Q. So that general prices of all commodities, or at least of these 258 representative commodities compiled in the way that you have described, rose in the period from 1897 to 1907, 44 per cent?—A. Yes, sir.

Q. That is correct, is it?—A. That is correct.

Q. As shown by this chart. Does this chart mean, or indicate, that all commodities rose by the same percentage in that period?—A. Not at all. Some commodities doubtless rose very much more than 44 per cent after 1897; others did not rise at all; others have declined. But the net result of the great advances of some and the lesser advances of others is this line. It is an average. No single commodity probably followed the line of all commodities in its upward movement. The movements of single commodities are much more irregular than the movements of the general index number. That is, the changes are more frequent. Here, for instance, in this chart it is shown that the general index number—that is, the index number for all commodities, which is the average price of the prices of the 258 commodities—rose without any break, apparently, from 1897 until 1900. It will be very difficult to find many commodities that rose entirely without any break for that period. I might qualify that. Breaks in commodities would perhaps be monthly affairs rather than annual—extend over a period of months rather than over a period of a whole year.

Q. When you say "breaks" you mean fluctuations in the prices?—A. Fluctuations—change in the tendency. There is an unbroken tendency upward after 1904—a steady upward movement of the course of prices from 1904 to 1907. That is the case in

13351 some commodities, but not by any means with all commodities.

Q. Is this method of estimating the general trend of the prices of commodities by index numbers and by charts constructed in the manner of the one which you have been testifying about a recognized valid method of arriving at the result?—A. It is recognized as being the only method by which any comparison can be made of prices over a period of years.

Q. Has it been made to your knowledge, or a similar comparison been made, in other countries?—A. Yes, sir.

Q. Do you happen to know, for example in Great Britain, whether a similar set of numbers has been compiled?—A. Yes; there are two very well-known index numbers compiled in Great Britain. One is compiled by Mr. Augustus Sauerbeck. He publishes the results of his calculations in the Journal of the Royal Statistical Society, and bases his calculations on the prices of, I think, 44 representative raw commodities. He assumes that if the prices of the raw materials change, the prices of manufactured articles also change, so it is not necessary to take into account the prices of manufactured articles.

Q. Would you expect that the results obtained by taking only 44 articles, as he does, would be as nearly accurate as those taken by the United States Government in constructing this table of 258 commodities?—A. That is a subject concerning which economists are a little at odds. Some economists take the ground that 40 representative, basic commodities will furnish as good an index number as 200 or 300. I personally am inclined to believe that an index
13352 number based upon the prices of 100 commodities would be quite as representative of the general trend of prices as an index number based upon the prices of 500 commodities. As a matter of fact, the results of the computations of statisticians who use different numbers of commodities all agree in the main; so that it does not appear to be worth while to debate very much as to which is the better method, because all the methods yield practically the same results.

Q. Those index numbers compiled by Mr. Sauerbeck are for prices of commodities in what country?—A. They are for prices of commodities in England.

Q. And in a general way do they show about the same results as the government chart we have been discussing?—A. Yes, sir; the same advance practically.

Q. That is to say, a line constructed——A. The same line.

Q. That is, a line constructed according to the index numbers on a chart would show very much the same result, would it?—A. Yes, sir.

Q. Would show a very great advance in prices from about 1897 up to 1906 or 1907, would it?—A. Yes, sir.

Q. So that the United States is not the only country where that phenomenon has been observed and measured, is it?—A. No, sir.

Q. Has it or has it not been true, so far as you know, in all commercial countries?—A. It has been true in all countries that use gold as money.

Q. A similar state of facts exists in Germany, does it not?—A. The same in Germany.

13353 Q. And similar methods have been adopted to measure the changes, have they not?—A. Yes, sir.

Q. With very much the same results?—A. With the same results in all countries.

Q. Would you say, then, that this phenomenon of the very rapid and great rise of prices since about 1897 was confined to any coun-

try, or is it a world phenomenon?—A. It is a world phenomenon. I mean it is a phenomenon confined to the countries which are using gold as money.

Q. Well, that takes in most of the great commercial countries of the world, does it not?—A. That takes in nearly all of the great countries. Of course, countries on a silver basis have prices based upon an entirely different substance, and other countries on a paper money basis, but have the same prices.

Mr. CRAWFORD. I offer in evidence the chart about which the witness has been testifying, defendants' Exhibit 294.

Mr. KELLOGG. That is, together with all this testimony, objected to as immaterial.

Q. I show you another bulletin of the Bureau of Labor, July, 1908, No. 77, also published by the Department of Commerce and Labor of the United States Government, and on page 6 I call your attention to another diagram. Will you state very briefly what that diagram shows?—A. This diagram is prepared by the same department of the Government, and I presume by the same men who prepared the diagram on relative prices based upon the wholesale prices of this country. This diagram shows or is intended to show changes in the rates of wages in this country.

Q. Between what years?—A. Between 1890 and 1907. The
13354 chart shows changes in the relative wages per hour and in the hours per week, and in the number of employees; it also gives a line showing the relative retail prices of food.

Q. And these relative facts are reduced to a basis of index numbers, are they not?—A. They are all reduced to a decimal basis, or to the basis of 100; because otherwise comparison would be impossible.

Q. And it is practically on the same theory as that of the index numbers in the diagram showing the prices of all commodities?—A. The same theory, the same method.

Mr. CRAWFORD. I offer in evidence the diagram referred to, being that on page 6 of Bulletin of the Bureau of Labor, No. 77, for July, 1908, being defendants' Exhibit 295.

Mr. KELLOGG. Same objection—as immaterial.

Q. Referring to defendants' Exhibit 295, which is the chart concerning which you have last testified, to what point does it appear that the relative wages per hour have advanced in the period from 1890 to 1907? The wage line is the black line?—A. It began at 100 in 1890; 1907, at 128½.

Q. So that general wages per hour during that period have increased, roughly, about 27 or 28 per cent, have they?—A. Yes, sir.

Q. And what is the fact in regard to the relative number of employees in the same time?—A. The line begins in 1890 at 94½; in 1907 it stands at 144.

Q. So that has advanced something like 47 or 48 per cent, has it not?—A. That is an advance of over 50 per cent.

13355 Q. What does the line indicating the retail price of food

show, for the same period? That is the red line.—A. The red line on the chart begins at 102 and, with some fluctuations, ends in 1907, at 121.

Q. Somewhere about 20 per cent, is it, for that period?—A. About 20 per cent increase in retail prices of food.

(Papers were marked "Defendants' Exhibits 296 and 297.")

Q. I show you defendants' Exhibit 296, also a tabulation of figures which is marked "Defendants' Exhibit 297." Please examine the same and state generally what the chart shows.—A. This chart, defendants' Exhibit 296, shows the increases in the prices of a number of commodities, and compares them graphically with the increase in the price of refined oil and with the relative price of 258 commodities, or of commodities in general—as it is often called; also with the increase in the relative rate of wages in the United States.

Q. Before you go any further, I want to ask you some details about the mechanical parts of the chart. What does the 100 indicate, on the lower left-hand corner?—A. That indicates the starting point, which was the prices prevailing in 1895.

Q. You call that 100?—A. Call that 100.

Q. These figures on the right-hand side of the paper, running from 100 up to 190, are what?—A. Those are the percentages of increase which the prices of these commodities, respectively, bore to the price they bore or sold at in 1895.

Q. That is to say, if, for example, an article sold for a dollar in 1895, it would sell in 1906 at $1.10, $1.20, $1.30, or at
13356 some intermediate point as indicated on this chart?—A. Yes, if it sold at a dollar in 1895 and did sell at $1.30 in 1907; then the line representing that commodity would run from 100 to 130; or if the rise of price of any particular commodity had been equal to 30 per cent, the fact would be so indicated.

Q. What is the first red ink line at the bottom of the chart?—A. That is Water White refined oil.

Q. And a little way further up I see a dotted red line. What is that?—A. General commodities; that is the average of 258 commodities.

Q. There is another dotted just below that, isn't there?—A. Yes, wages; the general relative rate of wages.

Q. Where did you get that line or get the data for the line representing wages?—A. That was taken from this chart, defendants' Exhibit 295.

Q. And the dotted line representing the prices of general commodities, where is that taken from?—A. That is taken from defendants' Exhibit 294.

Q. From defendants' Exhibit 294, concerning which you have already testified?—A. Yes, sir.

Q. Does this chart in any particular instance pretend to show anything more than the prices of 1895 at one end, and the price of the same commodity in 1906 at the other end?—A. No, sir.

Q. It does not pretend to show the fluctuations?—A. Not at all.

Q. It is not intended to be an accurate line to indicate the intermediate prices?—A. No, sir.

13357 Q. But simply the prices at the extreme ends of the period; is that so?—A. Yes, sir.

Q. Where do you get the price for Water White refined oil, upon which the line for refined oil is based.

Mr. KELLOGG. He has not got it right.

Q. I hand you defendants' Exhibit 293–B, and call your attention to the third column.

Mr. KELLOGG. That is not correct. What is the use of making up an exhibit if it is not correct?

Mr. CRAWFORD. We will check that up.

Q. Now, if you will look at defendants' Exhibit 293–B—have you it before you?—A. Yes, sir.

Q. It appears that in the preparation of this chart the figures that were used for comparison in determining the Water White refined oil line were those taken from the third column, 6.44 in 1895 and 6.88 in 1906, which showed an increase of some 6.83 per cent. Instead of those figures, would you mind taking the figures in the last column; that is, taking 7.62 as the price for refined oil in 1895 and 8.42 as the price in 1906?—A. That is, beginning with 7.62?

Q. Beginning with 7.62 and comparing it with 8.42, see what percentage that makes.—A. That simply introduces the difference made by differences in the average marketing cost.

Q. In introducing that——A. It would not make much difference.

Q. That shows that the increase was about 11 per cent, does it not?—A. About 11 per cent.

Q. From what source did you derive the prices of the other commodities shown on this chart?—A. They were derived from

13358 the Bulletin of Labor, published by the Department of Commerce, the March number for 1908.

Q. Will you mention some of the principal commodities and show what their prices were in 1906, as compared with the prices of the same commodities in 1895?—A. Sugar rose from 84.1 in 1895 to 95.3.

Q. Instead of giving those actual prices, give the percentage of increase as shown on this chart.—A. An increase of 13 per cent; 13 and a fraction.

Q. What per cent did wheat flour rise?—A. Wheat flour increased 17 per cent.

Q. And milk?—A. Milk 18 per cent.

Q. Rye flour?—A. Rye flour 22 per cent.

Q. You were speaking approximately, were you?—A. Yes.

Q. The exact figures are given on the——A. I am speaking of the units, without giving the fraction.

Q. The exact figures are given in the tabulation, are they?—A. 22.65 per cent, rye flour.

Q. What was the advance in the price of carpets?—A. Carpets advanced 26.1 per cent.

Q. How about blankets?—A. Blankets advanced 36.62 per cent.

Q. How about suitings?—A. Suitings advanced 52.05 per cent.

Q. Lead pipe?—A. Lead pipe advanced 52.87 per cent.

Q. Rubber?—A. Rubber advanced 62.43 per cent.

Q. Women's dress goods?—A. Women's dress goods advanced 69.20 per cent.

Q. Window glass?—A. Window glass advanced 62.64 per cent.

Q. Wool?—A. Wool advanced 90.47 per cent.

13359 Q. And the other commodities, which you have not here named, are specifically named in the tabulation defendants' Exhibit 297, are they not?—A. Yes.

Q. With the prices in 1895 and 1906 and the per cent of increase in 1906 over 1895?—A. Yes, sir.

Q. Are most of the articles shown on this chart, in this tabulation, manufactured articles?—A. I believe most of them are manufactured articles, nearly all of them.

Mr. CRAWFORD. I offer in evidence defendants' Exhibits 296 and 297.

Mr. KELLOGG. Same objection.

Q. Those charts show, do they not, that general wages have increased, from 1895 to 1906, about 27 per cent?—A. About 27 per cent increase in wages, as I remember.

Q. That is the hourly rate, is it not?—A. That is the relative rate per hour.

Q. Taking the figure of refined oil, at about 11 per cent increase in 1906 as compared with 1895, would one hour's labor of the average laborer buy more or less oil in 1906 than in 1895?—A. It would buy more.

(Papers marked "Defendants' Exhibits 298 and 299.")

Q. Will you look at defendants' Exhibits 298 and 299, and also look again at defendants' Exhibit 293–B. In the third column of 293–B you have the total net price to dealers, exclusive of marketing cost and freight, have you not?—A. Yes, sir.

Q. The figures in the third column show the refinery price plus the marketing profit. Other figures on the sheet show the marketing cost (another total), and the freight is not given.

13360 What have you to say as to the fairness of taking the figures in this third column, in considering the justice of the prices made by the defendants, and disregarding marketing cost and freight? In making a comparison of one year with another, are the figures given in this third column fairly made up, in your judgment?—A. That is, you would have me leave out——

Q. I mean, leaving out marketing cost, which is a disbursement; and freight, which is a disbursement.—A. It is fair to assume that the marketing costs, or the cost of disbursements in general, would increase with the rise of prices or the rise of wages. It would seem to me fair to leave it out.

Q. As being a disbursement?—A. As being a disbursement.

Q. Look, if you will, at defendants' Exhibits 298 and 299, and state what they show. Take, first, defendants' Exhibit 299.—A. Defendants' Exhibit 299 shows, first, the index numbers of general

prices taken from the Bulletin of Labor, which is defendants' Exhibit or Chart 294. I do not know what number that table is.

Q. The figures are taken from a table in the same volume; that is, the report of the Bureau of Labor, March, 1908?—A. These are the figures upon which defendants' Exhibit 294 is based, taken from the Bulletin of Labor for March, 1908.

Q. What is shown in the last column of the first part of that page?—A. In the last column is shown the percentage of advance or decline as compared with 1895.

13361 Q. That is, you mean on these index numbers?—A. On these index numbers. For instance, the index number for 1895 is 93.6; the number for 1896 is 90.4, a decline of 3.42 per cent. That percentage is not made of the difference between 90.4 and 93.6, but it is the difference in percentage; 89.7 is 4.17 per cent less than 93.6. And so on down the column.

Q. What do the figures at the lower part of the page show?—A. These figures show the total net price of Water White oil to dealers, exclusive of marketing cost and freight.

Q. The prices there are taken, are they not, from the third column of defendants' Exhibit 293–B, which you just looked at?—A. The same prices, taken from the defendants' Exhibit 293–B.

Q. And the decimals showing decline and advance are the same decimals or percentages shown in the last column at the upper part of the page, are they not?—A. The same.

Q. That is, they are the percentages of decline or advance in the index numbers?—A. They are.

Q. The next column, near the bottom, shows what set of figures?—A. Is it the next to the last column that you have in mind?

Q. No; the second column.—A. 6.42, 6.22, 6.17?

Q. Yes.—A. That column shows what the price of Water White oil would have been if it had changed after 1895 in the same proportion each year as did general commodities.

Q. When you say "the price of Water White oil," you mean to say what we call here the net price to dealers exclusive of marketing cost and freight?—A. Yes.

Q. And these figures show, you say, how that would have
13361 changed had it followed the line of general commodities?—A. That is right.

Q. The next column shows, does it not, the actual Water White prices to dealers, exclusive of marketing costs and freight, as taken from defendants' Exhibit 293B?—A. Yes, sir.

Q. And the last column on defendants' Exhibit 299 shows what?—A. It shows how much more or less the prices of Water White oil had advanced than the prices of commodities in general.

Q. And where they are red, they show what?—A. Red showing the decrease, and black an advance.

Q. In how many years has there been an advance? In how many years does it appear that the prices were higher than they would have

been if they had followed the line of general commodities?—A. In only two years.

Q. And those were what?—A. 1903 and 1904.

Q. Look at defendants' Exhibit 298 and state what that is.—A. Defendants' Exhibit 298 is a chart on which is shown in a black line the actual changes in the price of Water White oil.

Q. You mean the price to dealers, exclusive of marketing cost and freight?—A. The price to dealers, exclusive of marketing cost and freight. A red line shows what the price of oil would have been if it had followed the same course taken by general commodities.

Q. And again you mean when you say the price of oil, the price to dealers exclusive of marketing cost and freight?—A. Yes, sir.

Q. What is the general course of that price of Water White oil as compared with the course which it would have taken had it
13363 followed the trend of general commodities, beginning with 1895?—A. In 1895 Water White oil began to decline, and did decline in price until 1897 from 6.44 cents per gallon to 4.98 cents per gallon. I have not figured that percentage. Would you like to have it?

Q. Never mind that now.—A. If it had followed the course of general commodities it would have declined from 6.44 to only about 6.20, whereas it did decline to 4.98. After 1897, if it had followed the course of commodities in general, it would have risen in 1898 from about 6.20 to 6.40. As a matter of fact it actually did rise from 4.98 to 5.14. It made a less advance than general commodities made in that year. In the next year it would have advanced with general commodities—in the next two years the advance of general commodities and the upward movement of refined oil were about the same. In 1901 there was a slight change or decline in the price of oil, also about the same decline in the relative prices of all commodities. In the next year, 1902, there was an advance in general prices, the prices of all commodities, and a little sharper advance in the price of refined oil. In 1903 Water White oil made a much sharper rise or adva[illegible]than did general prices, also in 1904 it was higher than the level o[illegible] prices; but after 1904 it made a decline—in 1904 and 1905—about equal to the advance it had made in 1902 and 1903, whereas, if it had followed the course of general commodities or all commodities it would have made an advance in 1905 and 1906.

Q. Then, excepting the years 1903 and 1904 (when the prices of oil were somewhat higher than they would have been had they
13364 followed the general trend) what was the fact in regard to them?—A. They were lower, in all the other years, than they would have been if they had followed the movement taken by 258 commodities on the average.

Q. That is, the average of all commodities?—A. The average of all commodities.

Q. Compiled by the Government. Do you happen to remember any special commercial conditions in 1903 which would account for a specially high price at that time?—A. The period from 1901 to

1903 was a very active period. There was great expansion in bank deposits, bank loans, and in industries generally. It was what is ordinarily called a boom period, with a lot of building, enlargement of enterprises of all kinds. It culminated in a reaction about the middle of 1903 (in about July, 1903) and general prices stopped their advance at that time.

Q. And general commercial conditions for some time afterward were not so good, were they?—A. Commercial conditions from the middle of 1903 until about November, 1904, were very quiet; very much as they have been during the last year.

Q. General business was not so active?—A. General business was not active.

Q. Now, some time in 1904 the price of Water White oil (as you have limited it), that is, the price to dealers exclusive of marketing cost and freight, had descended until it crossed the line which indicates the trend of general prices, hadn't it?—A. Yes, sir.

Q. And from that time down to the end of 1906, it is much
13365 below the line which it would have taken had it followed that trend, is it not?—A. It is.

Mr. CRAWFORD. I offer in evidence defendants' Exhibits 298 and 299.

Mr. KELLOGG. Same objection.

(Paper marked "Defendants' Exhibit 300.")

Q. I hand you defendants' Exhibit 300. Is this a chart which you have caused to be prepared?—A. Yes, sir.

Q. This shows three lines across the chart. There is a green line first; what does that represent?—A. That represents the course of general prices or of the index number as prepared by the government statisticians.

Q. Taken from what?—A. Taken from defendants' Exhibit 294.

Q. What does the red line show?—A. The red line shows the course of prices of Water White refined oil from 1895 to 1906.

(Paper marked "Defendants' Exhibit.")

Q. I hand you also defendants' Exhibit 301. The black line on the chart shows what?—A. That shows the relative price of Lima crude oil for the period 1905 to 1906.

Q. Exhibit 301 shows the actual market price of Lima crude and the prices of refined oil to dealers, less marketing cost and freight, does it not?—A. It does; yes, sir.

Q. Also the percentages of the various changes in those prices?—A. It does.

Q. Also the percentages or index numbers of general commodities, does it not?—A. Yes, sir.

Q. Now, very briefly state what this chart shows as to the
13366 course of prices of Water White refined oil and of Lima crude oil.—A. This chart, defendants' Exhibit 300, shows that the price of general commodities declined a little in 1890, 1895, 1896, and 1897; that Water White oil declined much more—the decline was much sharper, much greater. There was also a fall in the price of

Lima crude oil, exceeding the fall in the price of Water White refined oil. After 1897 there is a very great rise in the price of Lima crude—a rise from 57, in the chart, to about 117. Water White oil, in the same three years, made an advance, but an advance much less; and it rose from 74 to about 100; and from 1900 to 1901 there was a decline in the crude, also a decline in the Water White. Beginning with 1902 there is an advance both in the crude and in the refined oil, the advance in the crude being several points greater than the advance in the refined product. In general, the chart shows that the refined product followed very closely changes in price of the crude, on the average rising, toward the end of the period, but the changes were much greater than any changes which had taken place in the line indicating the price of general commodities.

Q. Roughly speaking, there is a general parallelism between the prices of Lima crude and the prices of Water White?—A. There is; rather a close parallelism.

Mr. CRAWFORD. I offer in evidence defendants' Exhibits 300 and 301.

Mr. KELLOGG. Same objection.

(Papers marked "Defendants' Exhibits 302 and 303.")

13367 Q. I show you defendants' Exhibit 302. That is a chart similar to defendants' Exhibit 300, except that in place of Lima crude a line showing the change in prices of Pennsylvania crude is given, is it not?—A. Yes, sir.

Q. I also show you defendants' Exhibit 303. That shows the proper percentages of changes in the prices of Pennsylvania crude and of the Water White oil and the general commodities, does it?—A. It does.

Q. Similarly to defendants' Exhibit 301?—A. Yes, sir.

Q. The course of prices of Water White and of Pennsylvania crude, though somewhat different from that of Lima, shows also a general parallelism, doesn't it?—A. Yes, sir; it shows a great fall in the prices of both the crude and the refined from 1895 to 1897 and then a rise, both rising together.

Q. And when you find the price of Water White rising, you find the price of Pennsylvania crude rising, do you not, in a substantially similar way?—A. They rise uniformly, almost together, and decline together.

Mr. CRAWFORD. I offer in evidence defendants' Exhibits 302 and 303.

Q. Will you refer to defendants' Exhibit 294? Does that chart indicate anything as to changes in the purchasing value of money during the period in question, from 1890 to 1907?—A. It certainly does. That is practically the purpose for which the chart is constructed.

Q. What does the purchasing power of money depend upon?—

13368 A. Upon the level of prices. The higher prices are, the cheaper the dollar is and the less the dollar will buy; the lower the value, therefore, or the less the purchasing power of money.

So, when prices are rising, that is the same thing as saying that the purchasing power of money is growing less; a dollar buys less because of high prices.

Q. If you have low prices, what does that mean in regard to the purchasing power of money?—A. Low prices means that the purchasing power of money is high, great, large.

Q. I think you said that when the general level of prices was falling the purchasing power of money was increasing?—A. The purchasing power of money is increasing when the general level of prices is falling.

Q. And when the general level of prices is rising——A. The purchasing power of money then is declining—growing less.

Q. Is there any relation of cause and effect between the rise or fall in prices and the decline or advance in purchasing power of money; or are they two names for the same thing?—A. They are two names for the same thing. To say that prices have risen is one way of stating the fact. And when we say the purchasing power of money has fallen, that is a statement to the same effect in another way.

Q. Will you give some example to show what the change in price means when converted into terms of the purchasing power of money?—A. I can illustrate from this chart. The prices between 1895 and 1897 fell 20.4; that is, from 1.12½ to 89.7. That meant that a man in the United States on the average could buy in 1897 as much with 89.7 cents as he could have bought in 1895 with $1.12½.
13369 In other words, there was an increase in the value of money equal to 35 per cent.

Q. You mean in the purchasing value of money?—A. In the purchasing value of money.

Q. Measured in commodities?—A. Measured in commodities. After 1897 there was a decrease in the purchasing power of money. The rise of prices shown by defendants' Exhibit 294 between 1897 and 1907 amounts to 44 per cent. That means that $1.44 in 1907 would buy no more than could have been bought with $1 (100 cents) in 1897.

Q. You mean, would buy no more of general commodities?—A. Would buy no more of commodities in general.

Q. And about what did that indicate in the decline of the purchasing power of money during that period?—A. That meant that the purchasing power of money during that period had declined in the same ratio as 144 to 100.

Q. About 31 per cent?—A. Yes; about 31 per cent.

Q. In other words, the purchasing power of money declined from 1897 to 1907 about 31 per cent?—A. About 31 per cent. That means that in 1897 $690 had the same purchasing power with respect to commodities in the United States as $1,000 had in 1907.

Q. If you wanted to find out what the difference in price of a certain commodity in different years was, when measured in the amount of other commodities which it would buy, you would have to reduce the price at the later period to that which it had at the earlier

period, would you not, in order to compare them?—A. Cer-
13370 tainly would; yes. That is to say, if in 1907 a farmer should sell a bushel of wheat for $1, which was the net result of his bushel of wheat, he could buy no more with that dollar than he might have bought ten years before with 69 cents; the 69 cents would have been as good a price for his wheat as $1.

Q. And the steady rise from 1897 to 1907 of general commodities, as shown by government chart, defendants' Exhibit 294, means what in regard to the purchasing power of money during those same years?—A. That is an advance since 1897.

Q. An advance since 1897, to 1907.—A. It means a decline of 31 per cent.

Q. Does it mean that as the prices went up the money went down?—A. The purchasing power of money went down in the same proportion.

Q. So would you say that during that period, substantially, the general purchasing power of money was growing less?—A. Undoubtedly.

Q. Now I want to call your attention to defendants' Exhibit 293A. Mr. Dredger testified that the first column of figures there, headed "Relative prices all commodities," contained the index numbers for the years from 1895 to 1906, taken from a table on page 292 of the same report or bulletin of the Bureau of Labor as that from which defendants' Exhibit 294 was taken, and that the last column, headed "Percentages of increase over 1895," showed the changes in percentages of those index numbers, assuming that of 1895 (that is, 93.6) to to 100 per cent. I think you have examined this before, have you not?—A. Yes, sir.

13371 Q. And have verified the figures?—A. I have verified the work. It is correct.

Q. In order to make a just comparison between the prices charged by the defendants for oil or other commodities in 1895 and 1906, and comparing all the prices in subsequent years to those in 1895, what do you say it is necessary to do, having in mind this general trend of prices and the increase of prices shown by it from 1895 to 1906?—A. I should reduce all prices to a common basis.

Q. Explain what you mean by that.—A. 1895.

Q. Take defendants' Exhibit 293B. The first column is headed "Average refinery price of all deliveries of Water White oil," and the first column in defendants' Exhibit 293D is headed "Average refinery price of all deliveries of Water White oil reduced to 1895 basis." What has been done to change the figures in the first column of defendants' Exhibit 293B to the figures as they appear in defendants' Exhibit 293D?—A. Account has been taken of the fact that relative prices of all commodities varied between 1895 and 1896 and subsequent years, as shown by the index number; relative prices of all commodities shown in the second column of defendants' Exhibit 293A.

Q. What have you done? What process has been gone through?—A. Dividing each of the prices in the first column of defendants' E

hibit 293B by the percentages of increase over 1895, shown in column 3 of defendants' Exhibit 293A.

Q. And that takes into account, does it not, the change
13372 in the purchasing value of money?—A. It does.

Q. And the result is to reduce those prices to terms where they are expressed in money of the same purchasing power?—A. It shows what the prices would have been if the purchasing power of money had remained what it was in 1895.

Q. Would you say that this change is necessary to make before any fair comparison can be made as to the prices of commodities during these years as compared with the 1895 starting point?—A. Yes, sir.

Q. In like manner, in defendants' Exhibit 293D, in the second column, the same process has been applied to the average marketing profit, has it not, as expressed in defendants' Exhibit 293B?—A. That column was reached by the same method.

Q. That is, it was divided, year by year, by the proper percentage taken from the last column in the upper part of defendants' Exhibit 293A?—A. Yes, sir.

Q. And the third column of defendants' Exhibit 293D, which is the sum of the first two, has been arrived at in like manner?—A. Yes, sir.

Q. In other words, all those figures, and the prices finally resulting, are reduced to terms of money of the same purchasing power, and to the purchasing power which money had in 1895, are they?—A. Yes, sir.

Q. In other words, as you have stated, I think, those figures express the prices which would have been made had there been no change in the purchasing power of money from that which it had in 1895?—A. Yes, sir; that is right.

Q. The last column on defendants' Exhibit 293D shows what?—
A. The last column of defendants' Exhibit 293D shows the
13373 increase or decrease in the prices as compared with 1895—in the prices of Water White oil.

Q. Reduced, you mean, to the basis of 1895?—A. Reduced to the basis of 1895. The figures in red indicate decreases. For example, the total net price to dealers, exclusive of marketing cost, in 1896 would have been 6.05 cents if the purchasing power of money had not changed, whereas in 1896 the price was 5.85 cents; but meantime in that year the purchasing power of money had greatly increased, as was indicated by the decline of prices. If there had been no decline of prices, or if the purchasing power of the dollar had not increased—had remained where it was in 1895—then the price would have been 6.05, a decline of 0.39 cent. In 1897 the price would have been 5.19 cents, a decline of 1.25; and in 1898 the price would have been 5.15, a decline of 1.29 cents. And so on through.

Q. In how many years in the period do you find that there was any increase in the prices as compared with 1895?—A. Only two

years. In 1903 an increase of 0.78 cent, and in 1904 an increase of 0.48 cent.

Q. Look at defendants' Exhibit 293E. That is a similarly compiled statement of the prices of naphtha, is it not?—A. Yes, sir.

Q. And these prices and other figures are derived, are they not, from the first three columns of defendants' Exhibit 293C?—A. Yes, sir.

Q. And the figures in those columns have been divided by the percentages in the same manner that you previously testi-
13374 fied to, have they not?—A. Yes, sir.

Q. And these are the figures reduced to the basis of 1895, are they?—A. They are.

Q. Expressed in terms of the purchasing power which money had in 1895?—A. Yes, sir.

Q. In how many years during the period from 1895 to 1906 do you find any increase in the price of naphtha as compared with the price of 1895?—A. I find it in five years; in 1899, an increase of 0.92 cent, but that followed a great decrease—2.20 cents—in the preceding year. In 1902 an increase of 0.09 cent. In 1903 an increase of 1.37 cents. In 1904 an increase of 0.44 cent. In 1906 an increase of 1.09.

Q. In how many years do you find a decrease in the price as compared with the price of 1895?—A. Six.

Q. That is, all the remaining years?—A. All the remaining years.

Q. 1897 and 1898 it is quite large, is it not?—A. In 1897 the decrease was equal to 1.95 cents, and in 1898 equal to 2.21 cents decrease.

(An adjournment was here taken until Thursday, December 10, 1908, at 10.30 o'clock a. m.)

13375 ROOM 508, CUSTOM HOUSE, NEW YORK CITY,
Thursday, December 10, 1908, 10.30 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr. Charles B. Morrison. On behalf of the defendants, Mr. Moritz Rosenthal, Mr. F. L. Crawford, Mr. W. Cleveland Runyon.

JOSEPH FRENCH JOHNSON, recalled, and his direct examination resumed, as follows:

By Mr. CRAWFORD:

Q. Dr. Johnson, I would like to have you explain a little more clearly what you said yesterday in regard to the relation between the rise and fall in prices and the fall and rise in the purchasing power of money. Suppose you were to assume that you were comparing prices of a certain commodity for two different periods, and you find that at the beginning of that period a dollar would buy a certain quantity of general commodities, at the end of the period that it takes $1.25 to buy the same amount of the same commodities; that would show,

would it not, that general prices had risen 25 per cent as compared with the beginning of the period?—A. Yes, sir.

Q. What would it show in regard to the change in the purchasing power of money?—A. It would show that the purchasing power of money had declined in the ratio of 125 to 100.

Q. Well, in simpler figures it would be a ratio of 5 to 4,
13376 would it?—A. 5 to 4.

Q. Then, in the illustration that I have supposed, the dollar at the end of the period would buy only four-fifths as much of the same commodities as at the beginning of the period?—A. Yes, sir. Its purchasing power would be only equal to——

Q. In other words, its purchasing power would be 80 per cent of what it was at the beginning?—A. Exactly.

Q. Looking again for a moment at Exhibits 293A B C D and E, the prices that are compared upon these sheets are prices from 1895 to 1906, are they not?—A. Yes, sir.

Q. And between 1895 and the intermediate years?—A. Yes, sir.

Q. What change in the relative prices of all commodities, as shown by the index numbers, is indicated from 1895 to 1906 by the government chart?—A. The government chart shows in 293A that prices advanced from 93.6 in 1895 to 122.5 in 1906. That means that the purchasing power——

Q. One moment. What does this indicate in percentages—that is, reckoned in percentages, what was the price in 1906 as compared with that in 1895?—A. That is indicated on the chart here in the last column of the first table. It shows that the rise was from 100; starting at 100 the advance was 30.88.

Q. In other words, the price in 1906 is 30.88 greater?—A. Yes, sir.

Q. That is, the prices of all commodities on the government chart in 1906 was 30.88 per cent higher than in 1895?—A. Yes, sir.

Q. Following the rule which you followed in that little
13377 simple example just given, in order to determine what the price in any year after 1895 was, when expressed in money of the purchasing power of 1895, you would divide the actual price by the percentage in this last column, for the corresponding year?—A. Yes, sir.

Q. That is to say, these figures show that in 1906 the purchasing power of money, as compared with what it was in 1895, would be expressed by a fraction—whose enumerator would be 100 and the denominator would be 1.88, would it not?—A. Yes, sir.

Q. And what you are really doing is to multiply the corresponding fractions for each year by the actual price?—A. Yes, sir.

Q. Have you caused to be prepared a chart which shows the relative changes in the purchasing power of money based upon the relative prices of all commodities as shown on the government chart in evidence, defendants' Exhibit 294?—A. Yes, sir.

(Chart marked "Defendants' Exhibit 304.")

Q. I show you defendants' Exhibit 304. Is this the chart to which you refer?—A. Yes, sir.

Q. Will you explain very briefly?—A. This chart, Exhibit 304, shows changes in the purchasing power of money in the United States from 1890 until 1906. From 1890 to 1897 the purchasing power of money rose from 112 to about 145.

Q. When was it 145?—A. In 1897. That makes an advance of about 40 per cent.

13378 Q. Well, go on. What was the course afterward?—A. After 1897 the purchasing power of money declined from 145 in 1897 to about 96 in 1907.

Q. That decline was gradual, was it?—A. The decline was gradual; broken only in two years—a slight rise in the value of the purchasing power of money in 1901 and a slight rise in the purchasing power of money in 1904. For all the other years there is a decline in the purchasing power of money.

Cross-examination by Mr. KELLOGG:

Q. Professor, do you understand that an increase in the average price of commodities necessarily justifies an increase in the price of any particular commodity?—A. No, sir.

Q. To know that you would also have to know the cost of raw material and the profit of manufacture, etc., wouldn't you?—A. I do not know, Mr. Kellogg, what you mean by "justifies."

Q. I mean justifies it on account of the general rise or the decrease in the purchasing power of money.

Mr. ROSENTHAL. Do you mean whether the rise of one necessarily involves the rise of another?

Mr. KELLOGG. Yes.

Q. It doesn't, does it?—A. The rise of prices in general does not necessarily justify the rise in the price of any particular commodity, in that sense. Some would rise and some would fall during the time.

Q. The profit of the manufacturer, per unit, would have a

13379 great deal to do with the justification of the rise or fall of prices, wouldn't it?—A. I do not know what you mean by "justification."

Q. If we were inquiring into reasonable profits——A. I do not know what "reasonable profits" means.

Q. Well, let me get at it in another way, then. You have taken 1895 and 1906 as your two years for comparison?—A. Yes.

Q. It appears by the exhibits in evidence, defendants' Exhibit 267 and petitioner's Exhibit 941, that in 1895 the Standard Oil Company manufactured 40,772,168 barrels of crude oil and made a net profit of $24,078,076.60, or a little less than 60 cents a barrel (call it 60 cents a barrel); in 1906 it manufactured 64,058,301 barrels of crude oil, making a net profit of $83,122,251.76, or an average of nearly $1.30 per barrel (call it $1.30). Now, you do not say, if you are inquiring into the reasonableness of prices, that the rise of 30.88 per cent (which is the average of all your products) justifies a rise of profit of over 100 per cent, do you?

Mr. ROSENTHAL. I object to that upon the ground that there is no evidence in this case that will justify the facts assumed to have been established.

Mr. KELLOGG. They are taken from the exhibits you put in yourself, Mr. Rosenthal.

Mr. ROSENTHAL. I think not.

Mr. KELLOGG. Oh, certainly. I will show them to you. [Addressing Mr. Durand.] Go and get the exhibits, and we won't have any dispute about this as we go along.

13380 Mr. ROSENTHAL. Now, read the question to Prof. Johnson, will you?

Mr. KELLOGG. Yes; please read it over.

(The last question asked was read by the reporter.)

Mr. ROSENTHAL. I wish to add to my objection the further objection that there is not any evidence whatever in this case that all of the net profits made by the Standard Oil interests are made from the mere manufacture of the forty-odd millions in one case or the sixty-odd millions of barrels of petroleum in the other case. The sources of profit do not appear in any exhibits that have yet gone into evidence, and certainly they do not appear to have any exclusive relation to the mere manufacture of the petroleum consumed by the refineries.

Mr. KELLOGG. Please answer the question.

Mr. CRAWFORD. Wait a moment, now. What business are you talking about now?

Mr. KELLOGG. I am talking about the total business of the Standard Oil. Their profits in domestic business are greater than they are abroad. I am taking the total and giving the average of everything. [Addressing the witness.] Please answer the question, Professor.

A. I do not remember the figures. I did not get them for 1906.

Mr. KELLOGG. Read the question over again to the Professor, will you, Mr. Taylor.

(The reporter read the question as follows: "It appears by
13381 the exhibits in evidence, defendants' Exhibit 267 and petitioner's Exhibit 941, that in 1895 the Standard Oil Company manufactured 40,772,168 barrels of crude oil, and made a net profit of $24,078,076.60, or a little less than 60 cents a barrel (call it 60 cents a barrel); in 1906 it manufactured 64,058,301 barrels of crude oil, making a net profit of $83,122,251.76, or an average of nearly $1.30 per barrel (call it $1.30). Now, you do not say, if you are inquiring into the reasonableness of prices, that the rise of 30.88 per cent (which is the average of all your products) justifies a rise of profit of over 100 per cent, do you?")

A. I never made such an inquiry as to the reasonableness of profits. I could not answer that question unless I first knew what you meant by reasonableness of profits, Mr. Kellogg.

Q. That is not the question at all. Do you think the rise of 30 per cent in all commodities of itself justifies a rise of over 100 per cent in the profits?—A. By "justifies" do you mean "necessarily would cause a rise?"

Q. If you don't know what that means I will leave it there.

Mr. ROSENTHAL. Well, let's leave it there.

A. I am a little afraid of that word "justify."

Q. You are?—A. I don't know what it means.

Q. If you are inquiring into the reasonableness of profits, you don't know what the circumstance that "justifies" a rise means? You don't know what the word means?—A. Mr. Kellogg, economists have had a very hard time trying to decide what is "reasonable" and what "justifies"——Q. I am not asking you to decide what is "reasonableness."

13382 Mr. ROSENTHAL. Let him finish his answer. Economists have had a very hard time to decide what?

WITNESS. To decide what is a "reasonable" profit and what does "justify." As to using the word "justify," they do not use the word; the word is dropped.

Q. I am not asking you what "justifies" it. I am asking you if a rise of 30 per cent of all commodities of itself justifies a rise of over 100 per cent in the profits—if you know.

Mr. ROSENTHAL. I object to that question, upon the ground that there is not the slightest relation between a rise in price and an increase of profit as an economic proposition.

Mr. KELLOGG. Please read my question.

(The question last asked was read by the reporter.)

A. I would say that there is no cause there of a rise of that sort, or of profits of that sort.

Q. Do you know anything about the profits of the Standard Oil Company?—A. No, sir.

Q. Or the rate of profit on its capitalization?—A. Only what I have read in the newspapers.

Q. Or the cost of its manufacture?—A. No, sir.

Q. Or its profit per barrel?—A. No, sir.

Q. Or the cost of its pipe line transportation?—A. No, sir.

Q. All of these circumstances would enter into a just and reasonable profit, wouldn't they?—A. All those circumstances I should have to know in order to determine what profit it was making.

Q. And they would also enter into the question of the
13383 relation between the price in 1895 and the advance of price in 1906, wouldn't they?—A. I do not see why.

Q. You don't think the increase or decrease of cost of manufacture and raw material has anything to do with the prices; is that your view?—A. No.

Q. What is your view?—A. The cost of manufacturing a product does have a good deal to do with prices.

Q. And the cost of the raw material has a great deal to do with the prices?—A. A great deal to do; not all.

Q. It has a great deal to do, hasn't it?—A. Oh, yes.

Q. And they are very necessary elements in arriving at a price?—A. Yes, sir.

Q. You have taken the years 1895 and 1906 as the years used as a comparison in the rise of prices, haven't you?

Mr. ROSENTHAL. Those were the years taken by the Government, and we accepted them.

Mr. KELLOGG. No; they were not. We took 1898, and we asked you to give us the figures back of that, and you could not do it—a year ago.

Mr. ROSENTHAL. You took 1897 as the basis for most of your calculations, because that was perhaps the lowest year——

Mr. KELLOGG. Now, let me examine this witness. If you want to——

Mr. ROSENTHAL. ——of prices in the last twenty years, in the history of this country.

Mr. KELLOGG. Just let me examine the witness, please.

Mr. ROSENTHAL. I will be delighted to, if you will get
13384 your questions accurately on the facts.

Q. The years 1895 and 1896, up to the beginning of 1897, and during a part of 1897, were the years of the lowest prices of commodities in this country since 1861, were they not?—A. I believe that is so.

Q. Very much lower in 1895 than in 1890, 1891, and 1892?—A. Not very much. Prices had been falling for twenty years before 1890.

Q. It goes down from 113 in 1890 to 93 and a fraction in 1895; isn't that correct?—A. As I remember the figures, that is correct.

Q. That is a pretty big decrease, isn't it?—A. Yes.

Q. A decrease of over 20 per cent.—A. Not so great as followed in the next two years, is it?

Q. Oh, no. In fact, at the beginning of 1897 prices began to go up again, didn't they?—A. I believe prices declined more in 1895 and 1897 than they did between 1890 and 1895. I am only speaking from memory now.

Mr. CRAWFORD. Let the witness have the chart.

Q. Prices in 1895 were very much lower than they were in 1885, weren't they?—A. Yes, sir.

Q. And had been going down continuously from 1885 to 1895?—A. Yes, sir; as I remember those prices.

Q. 1895 was nearly the bottom, wasn't it?—A. As between 1895 and 1906?

Q. No; as between 1890 and 1906, 1895 was nearly at the bottom of prices?—A. I should have to average them to answer that.

13385 Q. Look at your diagram, defendants' Exhibit 294 [handing the exhibit to the witness].—A. Yes; I think that is fair; nearly at the bottom.

Q. 1906 is the highest year between 1890 and 1906, inclusive?—A. 1906 is the highest for general prices?

Q. Yes.—A. Yes.

Q. There was a very rapid rise from 1897 to 1906, wasn't there?—A. Yes, sir.

Q. In comparing oil prices to these prices of other commodities, ought you not to take years that are over the same general time, that are typical of the general rise or fall of the oil prices?

Mr. ROSENTHAL. I object to that—as to whether he ought or ought not to. We have taken precisely the years selected by the Government, namely, the years from 1895 to 1906. You have over two hundred exhibits in this case that begin with the year 1895. We have taken your basic year as the basis for these calculations.

Q. You should take, should you not, when you are comparing prices, years that are reasonably typical of the rise and fall of prices?—A. Do you mean that you can only compare prices over certain years by beginning at the midway year?

Q. Let me explain my meaning. If 1895 was an exceptionally high-priced year for oil, and if 1906 was much lower than 1902 and 1904, 1895 and 1906 would not be fair comparisons as to general rise of prices or fall of prices?—A. If the price of oil in 1895 was exceptionally high, of course that would tend to exaggerate a decline in subsequent years.

13386 Q. Or to understate the advance, wouldn't it?—A. I do not see how it would understate the advance.

Q. You have taken a year of very low prices, in 1895, haven't you?—A. Of general prices?

Q. Yes.—A. Fairly low prices.

Q. You have taken a year of very high prices, in 1906, haven't you?—A. Let me correct myself, Mr. Kellogg. The prices in 1895, whether they were very low or high, that question is answered by the government chart. The prices in 1895, as compared with the average for the ten years 1890 to 1899, were 6.4 below the average for those ten years. I would not call that very low for the ten years.

Q. But as compared with the entire period of time covered by that exhibit, 1895 was a year of very low prices, wasn't it, for general commodities?—A. It would be under the average.

Q. Yes; a long way under the average; 1906 was a year of very high prices, wasn't it?—A. Yes, sir.

Q. If 1895 was a year of high prices in oil, much higher than just before or just after (a year or two before or a year or two after), and if 1906 was a year of lower prices, much lower than a year or two before——A. Lower for what?

Q. For refined oil—then that would not be a fair comparison between your general commodity rise and the rise in refined oil, would it?

Mr. ROSENTHAL. I object to that, upon the ground that the exhibits which we have put in do not institute a comparison merely between 1895 and 1906. They institute a comparison for each and every year intervening, with the exception of one exhibit.

13387 Mr. KELLOGG. That one exhibit is the one I am talking about.

Mr. ROSENTHAL. Then please direct the question to that one exhibit, instead of comprehending all of the exhibits—which do not institute any such comparison.

Mr. KELLOGG. Please read the question.

(The question last asked was read by the reporter.)

A. Well, there is that word "fair" again. I do not understand that.

Q. You do not know what "fair" means? Perhaps that is true. "Typical," then?—A. Do you mean by fair that it might be misleading?

Q. Yes.—A. It would not contain any information whatever as to changes of prices in the interim between 1895 and 1906, and I presume a man looking at that chart, defendants' Exhibit 296, if he did not know anything about the courses of prices, might jump to the conclusion that the prices of all of those commodities had taken a straight line toward 1906 and had not varied. But I do not think it would deceive or mislead——

Q. Well, would that be a fair comparison between the years 1895 and 1906 as to other commodities?

Mr. ROSENTHAL. Do you mean that exhibit standing by itself?

Mr. KELLOGG. No; he knows exactly what I mean.

Mr. ROSENTHAL. Do you mean that exhibit standing by itself or taken in connection with the other exhibits?

Q. That exhibit standing by itself (assuming the facts I have stated) would that be a fair illustration of the relative rise

13388 of prices?—A. If you mean would it be a complete, satisfying illustration, no. It would not be a complete and satisfying illustration.

Q. There is a general relationship between the price of crude and the price of refined oil, isn't there?—A. The charts make that evident.

Q. I show you a table which is used by the defendants in one of their exhibits, from 1890 to 1900, and which is from the Geological Survey Report of 1900, showing the average yearly prices of Pennsylvania crude, and ask you if it is not a fact that in 1895 the price of Pennsylvania crude was very much higher than it was in the three previous years.—A. I find that the price is given here (1895) at 1.35.

Mr. ROSENTHAL. That is, you find the price stated in the book which you have there?

WITNESS. In this book.

Mr. ROSENTHAL. I object to that book being used upon the theory that it even tends to show the price that the Standard Oil Company paid for Pennsylvania crude in the year 1895.

13389 Q. What was the price you said in 1895?—A. 1.35.

Q. What was it in the three previous years, naming each year and the price separately?—A. 1894, in this book the yearly average price of Pennsylvania crude petroleum at the wells is stated at 0.83⅓.

Q. That is cents per barrel?—A. Cents per barrel. In 1893 it is stated at 64 cents.

Q. There is one more year—1892.—A. And in 1892 at 55⅔ cents.

Q. Now, will you give the equivalents of those in cents per gallon? [Handing book to the witness.]

Mr. ROSENTHAL. We will take Mr. Durand's figures on it. Have you figured it, Mr. Durand?

Mr. DURAND. Yes.

Mr. ROSENTHAL. We will accept Mr. Durand's figures on that. Is that a barrel of 42 gallons or 50?

Mr. DURAND. 42.

Mr. ROSENTHAL. Does it so state?

Mr. DURAND. It so states.

Mr. ROSENTHAL. Just accept Mr. Durand's figures.

Q. Give the equivalents for the years in cents per gallon, will you, please? You can verify them afterwards.—A. The figures per gallon—1894, 2 cents; 1893, 1.52 cents; 1892, 1.32 cents.

Q. 1895, 3.24, did you say?—A. No; I didn't; that is something else.

Mr. DURAND. That is in the exhibit.

Mr. KELLOGG. Oh, that is in the exhibit, yes—1895, 3.24.

13390 Q. I notice by defendants' Exhibit 303 that the price of Pennsylvania crude in 1896 went down, and still more in 1897 and in 1898. That is correct, isn't it?—A. In 1898?

Q. 1897?—A. A decline in the price from 1895 to 1897.

Q. From 1895 to 1897 there was a decline, and 1898 is lower than 1895?—A. Yes, sir.

Q. And 1899 is lower than 1895?—A. Yes, sir.

Q. And so is every year thereafter down to 1903?—A. Yes, sir.

Q. So that 1895 was a year of very high prices in Pennsylvania crude, wasn't it?—A. Well, "very" I can't say. A year of higher prices.

Q. Much higher than before or after for several years?—A. Higher than before or after.

Q. A difference between 3.24 and 1.32 in four years is a pretty big difference, isn't it?—A. I could not answer that properly without having the percentages figured out.

Q. I show you the same volume—the book of Geological Survey—prices of Lima crude of 1892 to 1898, inclusive, and ask you to read into evidence the price per barrel of Lima crude.

Mr. ROSENTHAL. You mean of South Lima.

Mr. KELLOGG. This is the average of all Lima, Mr. Rosenthal.

Mr. CRAWFORD. There is 5 cents difference between the two.

Mr. KELLOGG. I know, but their average. That is the way it is published. It is only 5 cents difference.

Mr. ROSENTHAL. All right.

13391 A. This is from table on page 94; the production of petroleum in 1900—by F. H. Oliphant. The table is headed "Highest, lowest, and average prices of Lima, Ohio, crude petroleum in each year from 1887 to 1900, inclusive." The average price in 1892 was 36⅔ cents per barrel; 1893, 47¼ cents per barrel; 1894, 48 cents per barrel; 1895, 71¾ cents per barrel; 1896, 66¾ cents per barrel; 1897, 48 cents per barrel; 1898, 61¾ cents per barrel.

Q. Now, will you give the equivalent in cents per gallon?—A. 1892, 0.87 of a cent; 1893, 1.12 cents; 1894, 1.14 cents; 1895, 1.71 cents.

Q. That is an increase of about $\frac{9}{10}$ of a cent a gallon?—A. Yes, sir.

Q. So that 1895 was a year of high prices in Lima crude?—A. As compared with 1892.

Q. And there was a decrease in price after 1895 down to and including 1897, wasn't there?—A. Yes, sir.

Q. I notice that in the defendants' Exhibit 293A the prices of South Lima crude oil are given as 1.67, Professor?—A. I have it here.

Q. And given by you there as 1.71, isn't it, from the government table in the Geological Survey?—A. Yes. The last figures I read were 1.71.

Q. I think both figures are correct. The difference comes from the fact that there is a difference in price between North and South Lima crude, and the two are averaged in the Government publication, and the South Lima crude is taken in yours, and so states on its face.

Mr. ROSENTHAL. That makes that entirely satisfactory.

13392 Q. Then, so far as the price of crude goes, the year of 1895 was a year of high prices, wasn't it, as compared with the immediate years before and the next two years after?—A. Yes, sir.

Q. I wish to show you the export price of refined oil at the seaboard and ask you if 1895 was not a year of high prices in export oil.

(The witness was handed a book by Mr. Durand.)

A. I have here a table headed "Average price for refined oil."

Mr. KELLOGG. I offer in evidence the table on page 28 of the report of the Geological Survey for the year 1900 on the production of petroleum, purporting to show the average price of refined oil for

export in barrels at New York, from 1892 to 1900, inclusive, as follows:

AVERAGE PRICE FOR REFINED OIL.

In the following tables the average prices per gallon of refined oils are given:

Average monthly prices of 70° Abel test refined oil in barrels at New York since 1892.

[Cents.]

Month.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.
January	6.45	5.33	5.15	5.87	7.85	6.13	5.40	7.43	9.9
February	6.42	5.30	5.15	6.30	7.35	6.26	5.48	7.40	9.9
March	6.32	5.34	5.15	6.75	7.40	6.36	5.82	7.33	9.9
April	6.10	5.52	5.15	9.12	7.00	6.13	5.67	7.05	9.3
May	6.06	5.20	5.15	8.20	6.75	6.23	6.00	7.01	8.4
June	6.00	5.21	5.15	7.83	6.85	6.14	6.16	7.20	7.8
July	6.00	5.15	5.15	7.65	6.55	5.87	6.27	7.61	7.9
August	6.08	5.18	5.15	7.10	6.65	5.75	6.44	7.82	8.0
September	6.10	5.15	5.15	7.10	6.85	5.74	6.60	8.63	7.9
October	6.03	5.16	5.15	7.10	6.90	5.55	7.21	9.00	7.6
November	5.80	5.15	5.15	7.88	7.15	5.40	7.35	9.40	7.2
December	5.45	5.15	5.61	7.77	6.35	5.40	7.40	9.85	7.2
Yearly average	6.07	5.24	5.19	7.36	6.98	5.91	6.32	7.98	8.4

NOTE.—Refined oil is loaded on bulk steamers at 2.5 cents per gallon below above quotations.

13393 Q. Was not the year 1895 a year of high prices in refined oil for export?—A. In this table, on page 28 of the document entitled "Production of petroleum in 1900," by F. H. Oliphant, I find the average price for refined oil given as follows——

Q. You needn't read that all. Just state the year 1895 and then one or two years before and one or two after.—A. The yearly average for 1895, 7.36 cents per gallon; 1894, 5.19 cents per gallon; 1893, 5.24 cents per gallon; 1892, 6.07 cents per gallon; 1897, 5.91 cents per gallon; 1898, 6.32 cents per gallon.

Q. So that, in the price of refined oil, 1895 was a year of high prices as compared with the three years before and the two years following?

Mr. ROSENTHAL. Refined oil for export.

Mr. KELLOGG. Refined oil for export.

A. These figures so indicate.

Q. Well, that is a geological publication?—A. Yes.

Q. It is a recognized authority, isn't it, Professor?—A. I don't know much about the value of the publication.

Q. Well, you have quoted from it in your exhibits here, haven't you?—A. Yes, sir.

Q. Taken prices from it, haven't you?

Mr. CRAWFORD. No.

Mr. KELLOGG. Why, certainly.

Mr. CRAWFORD. No.

Mr. KELLOGG. Yes, you have, some of them; introduced them yesterday, some of them.

13394 Q. Under those circumstances, have you any doubt that the price of refined oil in the United States was high during the year 1895?—A. High, with respect to what?

Q. As compared with the three preceding years and the two following years.

Mr. ROSENTHAL. You mean the price of export oil?

Mr. KELLOGG. No; I mean refined oil in the United States for domestic use.

Mr. ROSENTHAL. May I have that question again?

(Question read by the reporter.)

Mr. ROSENTHAL. I object to that upon the ground that the question is vague and indefinite. If "under those circumstances" has reference to the tables which you have just called his attention to, those tables relate to the price of export oil.

Mr. KELLOGG. And the crude oil.

Mr. ROSENTHAL. Yes; and the crude oil, and have no relation to the price of domestic oil.

Q. Please answer the question, Professor.—A. Well, if I really wanted to know—were starting out to find out just what the price of refined oil in this country was prior to 1895, or the price of any other commodity, I should have to know a little more than I do now about prices in 1892, 1893, and 1894. I would not be satisfied, Mr. Kellogg, with just the tables I have read.

Q. What would you do if you wanted to get the price of refined oil?—A. I should go not only to the government and state

13395 reports—which I find are sometimes carelessly prepared—but I should go direct to dealers and manufacturers.

Q. You would go to the Standard Oil, wouldn't you, as the biggest manufacturer?—A. I am inclined to think I should.

Q. Well, now, I wish you would go there and get it. Is it not a fact that 1895 was a year of high prices as compared with a few years before—three years before and the two years following—for refined oil?—A. If those figures are correct, it is a fact.

Q. Now, I notice, according to your tables, Exhibit 303, that the price of refined oil was about a cent and a half per gallon less in 1906 than it was in 1904. That is correct, isn't it?—A. The total net price to dealers, exclusive of marketing cost and freight, in 1904 was 8.26 cents.

Q. As against 6.88 cents——A. As against 6.88 cents in 1906.

Q. A decrease of about a cent and a half a gallon?—A. Yes, sir.

Q. And a decrease of more than that over 1903?—A. Yes, sir.

Q. So that 1906 was not the year of high prices in oil between 1895 and 1906?—A. Not the year of highest prices.

Q. No, sir. Very much lower in 1906, wasn't it?—A. The percentage is easily figured here.

Q. Well, a cent and a half a gallon is a very large amount on oil, isn't it?—A. Well, I am not expert on that.

Q. You are not?—A. No.

Q. Do you know that the crude oil supply in 1906 tremendously increased by the opening of a great new field in the Mid-Continent country?—A. I have read something about that.

Q. And in Illinois?—A. I have read something about it.

13396 Q. The production of a large amount of cheap crude oil?—A. I have read something about it in the newspapers.

(Paper marked "Petitioner's Exhibit 945" for identification.)

Q. I show you petitioner's Exhibit 945 for identification. The production and prices of Pennsylvania and Lima-Indiana crude are taken, I believe, from exhibits in the case. The production and price of Illinois and Mid-Continent crude are not yet proven in this case, but are compiled from the Geological Survey; but, assuming the correctness of them, do you not think that the very large supply of cheap crude would have the effect to reduce the price of oil in 1906?—A. This Exhibit 945 for identification purports to give the production of—it is not stated on the exhibit, but I suppose it is the production of crude oil in Pennsylvania, Lima-Indiana, Illinois, and Mid-Continent for the years 1895 to 1906, inclusive.

Mr. CRAWFORD. Omitting four years.

WITNESS. Omitting 1898, 1899, 1900, and 1901—with prices per gallon. Would you like to have me read these figures?

Q. Oh, no; I just ask you to assume that to be correct. Would that not have the effect of making the prices in 1906 very much lower than the previous years?—A. Of 1906?

Q. Yes.—A. Any large increase in the supply of crude oil would (other circumstances remaining unchanged) tend to lower the price of crude oil.

Q. The price of refined oil, you mean?

Mr. ROSENTHAL. The price of both, I suppose.

Mr. KELLOGG. Oh; I didn't understand you.

13397 A. The price of crude oil. And if it is manufactured into refined oil, sold in this country, it would be necessary for the manufacturer to lower his price in order to sell the product, in all probability.

Q. According to this table, the average price of all crude oil in those four years greatly decreased from 1903 to 1906, did it not?—A. The average prices of the crude?

Q. Yes.—A. 1903, in the case of Pennsylvania, it went down to 3.70.

Q. Take the averages at the end.

Mr. ROSENTHAL. In the case of Pennsylvania it went up, didn't it?

WITNESS. In the case of Pennsylvania it went up. I don't know whether those averages are weighted or not.

Q. Pennsylvania was not as high in 1906 as it was in 1904, but the average at the end shows a decrease in the average price from 1903 to 1906, doesn't it?—A. Are those averages weighted averages?

Q. They are, yes; weighted averages.—A. Do they take into ac-

count the fact that Pennsylvania produced in 1903 31 millions, Lima 24 millions, and Mid-Continent only 1 million?

Q. They do. They are worked out on the weighted averages.—A. That being the case, then there was a decline in the average price from 3.31 cents per gallon in 1903 to 2.43 cents per gallon in 1906.

Q. That is about 9/10ths of a cent per gallon?—A. Yes, sir.

Q. That being the case, then, 1895 and 1906 are not typical years of the general rise in prices, are they?

13398 Mr. CRAWFORD. Prices of what?

Mr. KELLOGG. Refined oil.

A. During the period?

Q. During the period.—A. From 1895?

Q. From 1890 to 1906, inclusive.

Mr. ROSENTHAL. We don't take them from 1890.

A. Well, I am not sure about assuming.

Q. Well, from 1892, then, until 1906.

Mr. ROSENTHAL. We take them from 1895.

Mr. KELLOGG. I know that, Mr. Rosenthal.

A. I would have to average them. I would have to average the prices of refined here from 1895——

Q. Well, it is perfectly evident that 1895 and 1906 are not typical years of the total years from 1892 to 1906, is it not?—A. They are twelve years apart, and the average of the prices for those twelve years was very nearly 100.

Q. Well, I know; but here is 1905 with a high price and 1906 with a comparatively low price.—A. On——

Q. On refined oil.

Mr. CRAWFORD. 1905 and 1906, you say?

Mr. KELLOGG. 1895 and 1906.

A. I beg your pardon, Mr. Kellogg. I was thinking about the general commodities.

Q. I am talking about refined oil alone. Those are not typical years of the rise in prices on refined oil, are they?—A. Well, that word "typical" bothers me a little.

Q. Oh, you know what I mean.—A. No. Average years.

Q. Well, they are not average years, are they, of the rise in price?—A. I think they are not near the average. We could

13399 easily find out by a little arithmetical computation.

Q. It is perfectly evident that 1895, being the year of high prices, and 1906 of lower than the average of the later years, the two years are not typical years by which to judge the general rise of prices of refined oil?—A. Well, I do not know exactly what you mean by that—"to judge by a typical." "To judge by," that puzzles me a little.

Q. Let us get at it another way, then. I think I will straighten you out. You say there is a general rise in prices from a period about 1895 down to 1906 on all commodities, averaged?—A. There was a decline of prices from 1895 to 1897, a general decline in prices, and I think it was about 20 per cent. Perhaps I am wrong on that.

Q. It isn't anywhere near it.—A. Well, 1895——

Q. About 4 per cent is all.—A. Oh, yes.

Q. About 4 per cent instead of 20. So between 1895 and 1906 there was a very great rise in general commodities?—A. Yes. General commodities were higher in 1906 than they were in 1895.

Q. Of course they were; I think that is evident.—A. Well, that is answering the question.

Q. And with the exception of 4 per cent, those two periods represent the extremes of the lowest prices and the highest, don't they? 1895 and 1906 represent the extreme, with the exception of about 4 per cent decrease after 1895?—A. That is shown by the figures.

Q. That is correct, isn't it?—A. Yes, sir; a matter of arithmetic.

13400 Q. Now, that isn't true as to refined oil, is it?—A. Oh, refined oil did not vary in the same ratio.

Q. Refined oil was very high in 1895 as compared with the two or three years before and the two years afterwards?—A. It certainly was, according to the figures I can get; high in comparison with the two or three years after, but low in comparison with the following years.

Q. Now, wouldn't it be a fair comparison to take, say, a group of years, of about three or four years along about 1892 to 1895 or 1896, and then a group of years, of three or four years, 1904, 1905, and 1906? Wouldn't that be a fair comparison?—A. Fair for what purpose?

Q. Fair for the purpose of showing the general rise of prices.—A. No, sir.

Q. To compare one with the other. Why not?—A. It would not give me the information that I should want if I were studying prices.

Q. Why wouldn't it?—A. I should want to know the tendency in each year.

Q. Then, this particular exhibit that you have put in here, in which you compared 1895 with 1906, is not a fair exhibit to show the general rise, is it?

Mr. ROSENTHAL. Why, it only purports to show the year 1895 as compared with 1906, and the other exhibits which we put in at the same time cover each and every intervening year. So the exhibit is absolutely fair for just what it purports to show.

Q. Please answer the question.—A. It is a fair exhibit to show the general rise between 1895 and 1906.

13401 Q. Well, why do you need any other two years than those two?—A. May I have the answer that I made to the question preceding this read, in which I said that would be a fair exhibit? I want a fair exhibit to show the course of prices. That would not be a fair exhibit to show the course of prices year by year.

Mr. ROSENTHAL. And it does not purport to do that, does it?—A. No, sir; it does not purport to do that.

Q. It was intended to give that impression, wasn't it, that other commodities had arisen very much more than oil? Wasn't that the intention of that exhibit?—A. It was intended, so far as I had anything to do with it, to show the facts—that other commodities in 1906 were higher than oil—had risen more in relation to 1895 than oil had risen?

Q. You just took those two years?

Mr. ROSENTHAL. Not at all. He took those two years on that exhibit and he took every other year on every other exhibit.

Q. Why did you make that exhibit if it was not a fair illustration of the average rise of prices?

Mr. ROSENTHAL. I object to that because it assumes the very contrary of what Prof. Johnson has testified to. He has testified that it is an absolutely fair and perfect exhibit as showing the difference between the two years taken, to wit, 1895 and 1906, and that is all it purports to show.

Q. Please answer the question.—A. Why did I take those two years?

Q. Yes.—A. Because I didn't have the data for other years.

Q. Now, if you will take the average prices of refined oil
13402 for 1895 to 1898, the average prices of commodities for the same years, the average prices of refined oil for 1902 to 1904, and the average prices of commodities for the same period, isn't it a fact that refined oil has gone up 45 per cent and other commodities only 23?—A. I would like to have that question read to me.

(The question was read by the reporter.)

Mr. ROSENTHAL. Where do you get the average prices of refined oil?

Mr. KELLOGG. From your exhibits.

Mr. CRAWFORD. For three years?

Mr. KELLOGG. Take your own exhibits.

Mr. ROSENTHAL. Now read the question.

(The question was read by the reporter.)

Mr. ROSENTHAL. I object to that question upon the ground there isn't any way of taking an average price of refined oil from 1895 to 1898, inclusive, first; and, secondly, because it does not appear from the question how you struck your alleged average, either in the case of refined oil or in the case of general commodities; and, thirdly, because it is entirely immaterial. It is entirely immaterial what the average prices may be as comparing the three or four years from 1895 to 1898 with the three or four years from 1902 to 1904.

Mr. KELLOGG. Now, will you please answer the question?

Mr. ROSENTHAL. In reply to that question we would like to have you figure those figures yourself carefully.

Mr. KELLOGG. All right; make them up.

(Witness figures.)

13403 Mr. ROSENTHAL. You are comparing 1895, 1896, 1897, and 1898 with 1902 to 1904?

Mr. KELLOGG. Yes.

Mr. ROSENTHAL. In other words, you are taking the lowest years on the price of oil and comparing them with the highest years during that period from 1895 to 1906?

Mr. KELLOGG. Yes; just the same as commodities. We are comparing them with the same years of commodities, certainly. We will take 1892, 1893, and 1894, or we will take from 1892 to 1897 or any for those years. Take any five years at the end of each period of comparison and let the professor make them up.

Q. Now, will you please answer the question?—A. I don't like the averaging of the prices for the four years in the first place, because there is no way of weighting price. We assume in averaging them that the quantity of oil sold at those prices is the same in each of the four years. Of course it might have been different.

Q. Now, isn't it substantially the same?—A. That I don't know.

Q. Haven't you averaged your other commodities—the prices?—A. They have been averaged.

Q. In taking other commodities you have had to average them, haven't you?—A. You mean in making the——

Q. You had to allow that same influence for each commodity in averaging your other commodities, hadn't you?—A. You mean that the Government did in preparing its chart?

13404 Q. Why, certainly. Those charts are all made on the same averages, aren't they?—A. I believe that they are made unweighted. Those averages——

Q. They take the prices, don't they?—A. Those averages of the prices of oil are weighted. I understand they are weighted. Of course I haven't had access to the books.

Q. That is substantially correct, isn't it?—A. Yes. But making that a condition, these figures are correct. The average price of crude oil for all of the four years——

Q. No; refined oil, you mean.—A. Of refined oil, four years, 1895 to 1898, inclusive, was 5.60 cents per gallon. For the three years, 1902, 1903, and 1904, the average price—the average of the average for those three years is 8.11 cents.

13405 Q. That is an increase of 45 per cent, isnt' it?—A. I have not figured that increase.

Q. It is very simple, isn't it?—A. Yes; that is easily computed.

Q. It is 45 per cent, isn't it? Figure it out. It won't take you but a moment.—A. (After having figured.) Yes, sir; an increase of 45 per cent.

Q. What is the average increase of other commodities during that same period?

Mr. ROSENTHAL. You do not mean during that same period; you mean comparing the two periods?

Q. Yes; comparing those two periods, what is the average increase of other commodities?

Mr. CRAWFORD. I object to the question, because it appears abundantly, by all the exhibits in the case, that during the years 1895 to 1898, except at the very beginning, the prices of refined oil were

away below those of general commodities, so the percentage is entirely misleading.

Mr. KELLOGG. It does not mislead him, because we have shown the reason that the price of refined oil was low in 1906.—A. It is 23 per cent. The average of those averages of general commodities, for the four years 1895 to 1898, inclusive, was 91.8, and the average for the three years 1902, 1903, and 1904, was 113.2, which is 23 per cent above 91.8.

Q. So according to that, between those two periods oil increased 45 per cent while the others increased 23?

Mr. CRAWFORD. I object to that, because the comparison is not made from the same starting point. The starting point
13406 in the case of refined oil is the average price for four years when it was far below the average price of general commodities; therefore the starting point of comparison is not the same. It was only at the initial year and for a short time that the prices coincided.

Mr. KELLOGG. Not at all. I think you are mistaken, Mr. Crawford.

Q. Take those two periods for commodities and the same periods for oil; why is not that a fair comparison, Professor?—A. "Fair" again. Fair for what purpose?

Q. To show the general rise in prices of the two, to compare them—to compare oil with other commodities. Why is not that a fair comparison?—A. As between 1895 and 1904?

Q. As between 1895 and 1904. Why is not that fair?—A. It is based on the facts as we know them.

Q. Isn't it fair?—A. I should not feel that I had been fairly enlightened if that was the information I got, and got nothing else.

Q. Why not?—A. I should feel much more intelligent on the subject, or that I knew much more about it, if I had the course of prices in those years.

Q. That is a fairer way than to take simply two years and know nothing about the intervening years, isn't it?

Mr. ROSENTHAL. If that was done.

Mr. KELLOGG. That is what was done in defendants' Exhibit 296.

Mr. ROSENTHAL. Do not segregate that exhibit from the other exhibits. We put them all in together.

13407 A. Mr. Kellogg, I think the figures justify such a statement—that there was such a rise in prices of refined oil, and a similar rise, or a rise of 23 per cent, between those periods, in the average prices of general commodities.

Q. Your Exhibits 296 and 297 are the only ones that show the change of prices of individual commodities, are they not, that you put in?—A. As from 1895 to 1906?

Q. Yes.—A. Yes, sir.

Q. Do you say that simply to take two isolated years is fairer than to take three years at each end of the period and average them?

Mr. CRAWFORD. You did not take three years at the end of the period; you took them in the middle.

Mr. ROSENTHAL. You took four at the beginning and three at the end.

Mr. CRAWFORD. Three in the middle.

Mr. KELLOGG. That was because three of them were low priced and three high.

Mr. ROSENTHAL. You took the three higher-period years out of the middle of the whole cycle of years.

Q. Is it not fairer to take two or three or four years at the beginning of the period and two or three or four at the end of the period and average them, than to take two isolated years at each end?

Mr. ROSENTHAL. I object to that upon the ground that that is not what was done. You have taken three years out of the middle of the period and compared them with four years at the beginning. You have not taken the end of the period.

13408 Q. Will you please answer the question?—A. I really think it is hardly fair to take four years at the beginning and only three—not at the end but toward the end. You did not take three years at the end of the period, you took three years——

Q. Take four years at each end; would that be fair?

Mr. ROSENTHAL. Fair for what?

Mr. KELLOGG. For a comparison.

Mr. ROSENTHAL. Of those particular four-year periods?

Mr. KELLOGG. Between the general rise of prices of commodities and refined oil.

A. I do not know what that comparison would show.

Q. Of course you want to know, I suppose, before you could say whether it is fair or not?—A. No; I do not know why you should want that. I do not know why anybody should ever want a comparison of that sort. What I would like to know about oil or any other commodity would be the average for the period. The period here is 1895 to 1906.

Q. And you want every year, do you?—A. No. What I should want—what I would consider fair information to give an inquiring mind on the subject would be the average price.

Q. For each year?—A. For the period which we are studying.

Q. Do you mean each year of the period or just two years of the period?—A. No; but the average price for the period. Here it is for 12 years.

Q. With that in view, why did you make up Exhibit 296—just simply taking two years—the year 1895 and the year 1906?—

13409 A. That chart was not made up in order to give an inquiring mind full information. That is contained in other charts.

Q. It was to conceal other information, was it?—A. No; it is contained in other charts—the full information.

Q. What was it made up to give an inquiring mind? Fair and full information, or simply two years that would not show the in-

formation?—A. That chart shows very clearly what can not be shown to the mind not accustomed to statistics. The fact that oil at the end of that period was some 7 per cent higher than at the beginning—that is all it purports to show.

Q. Many times is it not true that there are radical changes from year to year, or during a few months of a year, in prices?—A. In the price of any particular commodity?

Q. Yes.—A. Yes, sir.

Q. And when you are inquiring into the price of a particular commodity, very frequently throughout the course of a year there are radical changes in a few months?—A. In speculative commodities; in commodities that are dealt in on exchanges.

Q. So, if you are trying to arrive at a fair average price, you have got to take, usually, more than one year, haven't you?—A. "Average" implies a number of years. You can have an average for a year, or an average for five years, or an average for ten.

Q. You can not arrive at the general rise of prices by taking short, isolated periods, can you?—A. Only for that period. You can arrive at definite information with regard to the period, but not beyond it.

Q. I wish to call your attention to defendants' Exhibit
13410 300. That is a comparison of the index numbers of the price of Lima crude with the index numbers of the prices of refined oil, isn't it?—A. Yes, sir.

Q. That is practically a comparison of the per cent of increase in the price of crude with the per cent of increase in the price of refined, isn't it?—A. It does reflect percentages.

Q. In other words, it compares the per cent of increase in the price of crude with the per cent of increase in the price of refined oil, doesn't it?—A. There is a decline in the line that marks the percentage of decline or fall of price.

Q. It is a comparison of the per cent of increase or decrease of the price of Lima crude with the increase and decrease in the price of refined oil, isn't it?—A. I think that is a fair statement of it; yes, sir.

Q. It is not a comparison of actual prices, of course?—A. No, sir.

Q. Did you intend by these diagrams to give the impression that because the index number of refined showed substantially the same increase as the index number of crude; therefore the increase in the price of refined was justified by the increase in the price of crude?—A. Not at all. I never tried to justify prices in that way.

Q. What is it for, then?—A. Simply to set forth the facts.

Q. What good would the facts do if they would not justify the price—if there was no relation between them?

Mr. ROSENTHAL. I suppose that is for counsel to argue, and not for the witness. He is testifying to facts, not to infer-
13411 ences.

A. I am not trying to do any good or harm with them—the truth.

(A recess was here taken until 2 p. m., at which time the cross-examination was resumed by Mr. Kellogg.)

Q. Now, professor, coming back to this subject of the rise in prices that I was cross-examining you about this morning: You objected to the example I gave you because in one instance only three years were taken, and those not at the end of the period. Now, if you will take four years at each end of the period—1895, 1896, 1897, and 1898 and 1903, 1904, 1905, and 1906—and compare those, would that, in your opinion, be a fair comparison both as to refined oil and as to all other commodities?—A. It would show the average as between those four-year periods.

Q. Generally speaking, that would be a fair way of arriving at it, wouldn't it?—A. I should not regard that as fair as to take all the prices right through.

Q. I am coming to that. It would be more apt to be fair and equal than to take simply two years, wouldn't it; the first year and the last year?—A. Comparing the first year and the last year will show the price at the beginning and at the end of the period, and that is all that that chart was intended to show.

Q. Quite so; but where you have a single commodity the danger of getting a radical fluctuation is greater than where you have a great many commodities, isn't it?—A. Yes, sir.

Q. A single commodity may radicaly fluctuate in a single year, but if you take 100 or 200 or 300 commodities, you would not
13412 be apt to get that fluctuation?—A. No, sir; and that fact is shown in the other charts.

Q. If you take four years you would be more apt to get less fluctuation in a single commodity than if you took one year, wouldn't you?—A. If you take four years, average the prices for four years, you eliminate all fluctuations in those four years.

Q. Yes. And as to the whole period you eliminate to that degree the danger of fluctuations?—A. Well, I don't see any——

Q. In other words, there will be less radical fluctuation shown with a single commodity than in one—less danger of it?

Mr. ROSENTHAL. Does that necessarily follow?

Mr. KELLOGG. I think so.

Q. That is, an unusual cause would not be very apt to affect it for four years?—A. If there were a cause affecting the price of a commodity in any one of the years in the four, you reduce that cause when you average up.

Q. That is it exactly. So, therefore, you reduce the danger of such causes by taking more years, don't you?—A. Yes, sir.

Q. Now, take 1895, 1896, 1897, and 1898—the four years commencing with this period—and the four last years of the period; would it not show the increase in the price of refined oil to be 39 per cent and the increase of all other commodities during the same periods only 26½ per cent?—A. I would have to figure that.

Q. I think you can figure it in just a moment.

(Witness figures.)

A. The increase in the average prices of refined oil, comparing the four years, 1895 to 1898, inclusive, with the four years of 1903 to 1906, inclusive, I find to be 36 per cent.

13413

Mr. CRAWFORD. Give the average for the first four years and the average for the last four.

WITNESS. The average for the first four years, 1895 to 1898, I find to be 5.6 cents.

Q. Per gallon?—A. Per gallon. The average for the last four years, 7.79.

Q. That has increased 39 per cent instead of 36 per cent, hasn't it?—A. 39 per cent.

Q. That is right; 39 per cent. Now, what is the average increase of all commodities?—A. I find that the average for the first four years is 9.17 cents a gallon.

Q. You mean 91.7, using your figures there?—A. Yes. And for the last four years 11.62.

Q. That would be 116, using your figures, wouldn't it?—A. Yes.

Q. Or 26½ per cent?—A. 26½

Q. So that you use the first four years and the last four years of this period, and refined oil has increased 13 per cent more than the average of all other commodities?—A. Yes, sir.

Mr. CRAWFORD. But it starts very much lower, doesn't it, in your comparison?

Mr. KELLOGG. Yes.

Q. Now, you say the longer period you can get and the more years you can take into consideration, the more accurate idea you get of the increases or decreases; isn't that true, in the relation between oil and other commodities?—A. I wouldn't say "accurate."

13414

Q. Why not?—A. The longer the period of years you can take in comparing prices the more information you have with regard to the course of prices covering a long period of years.

Q. For instance, a fair illustration would be to take the last twenty years, commencing with 1906, and go back to 1886 and compare every year?—A. We would know more about it at the end of 20 years.

Q. That is, you compare the prices of every year from 1886 down to and including 1906 with the average prices of all other commodities, and that would give you better information as to the comparative prices, wouldn't it?—A. Yes, sir.

Q. Now, let us do that. Will you get that information and make those figures for us?—A. I would like to if I can.

Q. All right.—A. I will, if I get the figures. I haven't got the figures.

Q. Take the price of crude in each of the fields from 1886 to 1906, inclusive, and the price of refined oil in every year from 1886 to 1906, inclusive, and compare those with the average prices of all commodities.—A. I have not the figures to make that comparison. I

have not the prices of oil back of 1895, and I am told that the prices of oil back of 1895 can not be gotten at accurately, in a way to compare them with these prices.

Q. Why not?—A. That I do not know.

Q. Well, we would like to have those figures produced, and we would be very glad, Professor, to have you make the comparison.—A. Well, Mr. Kellogg, I will try to get those figures. I should be glad to have them.

13415 Q. Get them as far back as you can. Now, I would like to call your attention for just a moment to defendants' Exhibit 302. Do you believe, as a matter of fact, that an increase of any given per cent in the price of crude justifies an increase of the same per cent in the price of refined?—A. I do not believe that an increase in one element in the cost of refined oil would be sufficient to make necessary a corresponding increase in the price of refined to prevent loss.

Q. Yes; that is what I mean.—A. Because I should say that an increase in the prices of all the elements in the cost—the labor element, the coal, and other factors that enter into the cost—would account for and would (if that is the meaning of the word "justify") justify the rise in the price. In other words, it would make necessary the rise of price or——

Q. That is, it would make necessary the rise in the price to the extent of that increased cost?—A. If the manufacturer did not wish to go into the sheriff's hands, yes.

Q. Certainly. In other words, you would have to add to the price of all of your refined oil the additional cost of manufacture?—A. All the additional cost, of which (as I understand this oil business) the cost of crude oil is one, labor another, coal another, and other materials used are additional elements, if we had them all.

Q. Now, that would be an increase, we will say, of a certain number of cents per gallon?—A. If we had all those, that would give us an increase of——

Q. Of so many cents per gallon?—A. Of so many cents per gallon.

13416 Q. By adding that number of cents per gallon to the retail price—or to the price; I do not mean the retail price, necessarily—you would cover your cost, wouldn't you?—A. Yes, sir; if you had all the factors that enter into the cost, including crude, labor, coal, and other materials that are used in the production of refined oil, you would have then the cost of refined oil. No doubt about that.

Q. Then, if you reduced that to cents per gallon and added that to the price at which you sold it, you would cover your cost, wouldn't you, and your profit would remain the same as before?—A. Yes, sir.

Q. But if you increased your selling price of your refined oil by the same per cent that your cost of manufacture increased, you would increase your profit an equal percentage or more, wouldn't you?—A. I should certainly increase my profits if I could by letting the public pay the price that it was willing to pay for what I had to sell.

Q. Certainly you would. Now, what I mean is this: Your exhibit 302 deals in percentages alone, does it not?—A. Yes, sir.

Q. Compares percentages of increase or decrease of crude oil with percentages of increase and decrease of refined?—A. Yes, sir.

Q. What I mean is this: Adding, say, 20 per cent to the cost of crude oil per gallon would more than make up that cost if you added 20 per cent to the price of selling, wouldn't it?—A. I don't understand that question, Mr. Kellogg.

Q. Don't you? Well, it is a mathematical proposition. For instance, you take your exhibit there and assume that the cost of crude is 2 cents per gallon.—A. At any particular time?

13417 Q. Yes. Take it in 1895. Assume it is 2 cents per gallon. Put down these figures, will you? The cost of refining and transportation, .75 of a cent. That is 2.75. Now, that is a total cost of 2.75 per gallon, isn't it?—A. Yes, sir.

Q. Suppose it is selling at 5 cents per gallon at that time, what would be the net profit?

Mr. CRAWFORD. The question is objected to because it assumes various matters that have not been in any way proven in the case.

Q. 2.25, wouldn't it?—A. If the cost of the crude is 2 cents a gallon and the total cost of refining the oil, converting crude into refined, is .75 of a cent, the total cost, then, of the refined oil is 2.75.

Q. Suppose you double the cost of crude, increase it 100 per cent; that would make your product cost you 4 cents, wouldn't it?—A. 4 cents.

Q. Suppose you increase the cost of refining 33⅓ per cent: that would make it cost a cent, wouldn't it?—A. Yes, sir.

Q. Well, would that justify 100 per cent on your increased price of your outlay, which would make it 10 cents a gallon, wouldn't it?—A. If the cost of the crude is doubled so that it rises from 2 cents to 4 cents a gallon and the total cost of refined is increased one-third, which is one cent——

Q. And you added 100 per cent because your crude had doubled; you add 100 per cent to your refined oil; you would get 10 cents a gallon, wouldn't you?—A. You would have, then, the total cost of crude 5 cents a gallon.

Q. And your refined oil would be bringing you 10, wouldn't
13418 it?—A. Now, your question is, does that justify—that increase in the manufacturing cost from 2.75 to 5——

Q. Adding 100 per cent to your selling price.—A. That makes, according to these assumptions, the cost of the refined product 5 cents.

Q. I say would that justify adding 100 per cent to your refined product?—A. That would depend entirely upon market conditions and what I could get for my refined product. I want to be understood there. If I was running this business, I would not sell the refined product at 5 cents and make nothing. If the market demand for my product was very strong and prices in general were rising, people in general making money, making large profits in business, and were eager to get my product, I am inclined to think I would let

them have it—in fact, I know I would let them have it at the price that they would pay me for it, whether it would be 9 cents or 10 cents. If I didn't do that——

Q. And if you had control of the market and could get the 10 or 15, you would get it, wouldn't you?—A. If I didn't do that, Mr. Kellogg, I should have to go out of business, I suppose. Now, if I had control of the market, that raises another consideration. I do not think that if I had control of the market my price would be at all different from what it would be if I didn't have control of the market.

Q. You don't think so?—A. Not the slightest.

Q. You wouldn't take advantage of that?—A. I couldn't. What would fix the price would be the market demand.

13419 Q. But suppose you controlled the market?

Mr. ROSENTHAL. The demand, he said.

A. I couldn't control the demand.

Q. Suppose you controlled the supply so you could regulate it.—A. I know, but I can't force people to pay any price I would have them pay and get rid of the product.

Q. But if you have got a monopoly and control the output of refined oil, you can control the price, can't you?—A. No, sir.

Q. You can't?—A. No, sir; because I can't control the demand.

Q. If you can control the demand, and if they have got to have the product, and you control the output, you control the market, can't you?

Mr. ROSENTHAL. He hasn't said that he controls the demand.

Q. Isn't it a fact that your Exhibit 302, so far as being any guide to prices is concerned, is utterly valueless?—A. Oh, no, sir. Not that.

Q. Why, certainly.—A. It shows very accurately the course of prices, and that is all it purports to show.

Q. No; that doesn't show the course of prices, does it?—A. Oh, certainly.

Q. The percentage of the advance?—A. That shows that the price of refined oil declined in 1895 from about 96 to a point a little below 75 and then rose, with a few breaks——

13420 Q. Oh, well, there is no dispute about that.—A. So that the chart is accurate as showing the course of prices.

Q. What was it made for?

Mr. ROSENTHAL. Made to show what it shows.

A. Yes; made to show the course of prices of refined oil, of the crude, and of general commodities.

Q. Does the increase in the price of crude justify the increase in the price of refined shown on that exhibit?—A. That exhibit is not intended to show—at least, I had no intention of justifying any changes in price. My only intention was to show that prices did change in this order and in the degree shown on this chart.

Q. But you didn't intend that to be a justification of the price?—A. Not the slightest.

Mr. KELLOGG. All right. I am glad to know that.

13421 Redirect examination by Mr. CRAWFORD:

Q. I understood you to say this morning that defendants' Exhibit 296, which by its title is a chart showing the percentage of increase of prices of various commodities in 1906 as compared with 1895, was not complete and satisfying as showing, or for the purpose of showing, the general course of prices. Did I so understand you?—A. I do not remember the words that I used, excepting that I did use the two adjectives "complete" and "satisfying." It is not complete and satisfying to any one who wishes to know all the facts about the course of prices during that period. It does not show any changes in prices during the years between 1895 and 1906; but those facts are all set forth in other charts which I had prepared.

Q. And which are in evidence?—A. They are all in evidence. And in connection with those other charts, this chart I regard as being perfectly fair, and it is complete and satisfying in connection with the other charts and the other exhibits.

By Mr. KELLOGG:

Q. Did you pick out these commodities?—A. Not all of them. I mentioned to the man whom I instructed to prepare that chart a number of commodities.

Q. You picked out commodities showing the widest range of prices, didn't you?—A. No, sir. I did not know how the prices were going to be. I simply said, "Get a lot of commodities on there, like cheese, dressed beef, and articles of that sort," and I had not the slightest idea then as to what the result was going to be. Indeed, I was very much surprised when I saw the chart.

13422 Q. Who did pick out these lists?—A. If you will hand me the chart, I will tell you the ones I picked out. I have not examined the chart with much care. [Mr. Kellogg handed a paper to the witness.] I mentioned sugar, flour, milk, leather. I did not say rye flour, but it is on here. I suppose the man who made the chart thought it was worth while to put rye flour on as well as wheat flour. I said "steel products—any steel products, as files." I mentioned carpets, wages, blankets, cotton goods, pine doors, worsted yarns. There are three or four at least there that I do not remember having mentioned to him.

Q. Whom did you mention these to?—A. To a statistician.

Q. Who is he?—A. Mr. Lewinski.

Q. You do not know of any list of products that has increased any more than those, do you?—A. As I say, I did not know those prices had increased so much. I presume I could find some that had increased more.

Q. And a great many that had increased less?—A. Probably. But they are rather representative articles.

Q. When will you come back and let us know if you can give us the figures from 1886 down to 1906?—A. I will at once begin the inquiry and will report to you within a day or two.

13423 FORREST M. TOWL, recalled, testified as follows:

Direct examination by Mr. CRAWFORD:

Q. You are an engineer, I believe?—A. Yes, sir.

Q. You are a graduate of Cornell University?—A. Yes, sir.

Q. You have an engineering degree from that institution?—A. Yes, sir; civil engineer.

Q. I believe you are connected with the Standard Oil pipe-line interests, are you not?—A. Yes, sir.

Q. You have been so connected, in one capacity and another, for many years?—A. Yes; for 22 years steady.

Q. Are you generally familiar with the various pipe lines that are owned by Standard Oil interests in different parts of the country?—A. Yes, sir.

Q. Have you taken part in the construction of various pipe lines or parts of pipe lines?—A. Yes, sir.

Q. You are familiar with the problems which arise in the construction and operation of pipe lines?—A. I am.

Q. Will you describe in a general way what a pipe line is, taking some particular line which you have in mind, describing the number of pipes, the changes in the diameter of the pipes, the situation of tanks, etc.?—A. In building a pipe line it is generally started from a field that has not reached its limit—its production is indefinite. It is generally started off with building a single line of pipe, which can be added to as the demands come on it or be taken up if found to

13424 be not needed. The lines go to the wells, in the first place.

To each individual well there is a line, and that is gradually connected into larger lines; one runs right into another until they reach what is called a tankage farm. At the tankage farm there is generally the one trunk line going to some definite point, which takes the oil from these various tanks on the tankage farm and carries it through. The line starts in and goes uphill and downhill across the country, in all kinds of places. You first start out with an initial pumping station at the tankage farm; then, if they are going on a general uphill grade, they may start out with a small pipe—say a pipe six inches in diameter—and when they are going downhill they probably would use an 8-inch line. The lines would be changed in diameter as the local conditions required, until they reached the next station. The stations have to be located on a stream—some place where they can get water and where they can get fuel. Those are the two principal things that they must have to pump the oil. Sometimes the oil goes into a tank at the intermediate station, and sometimes it goes right into the pump and passes along.

Q. If it goes into the pump, does it all come into a single pipe?—A. All comes into a single pipe. The pipe passes up at the end of the pump and then it is branched and passes to the several cylinders, so that it——

Q. In practice, in the operation of the various pipe lines, you have usually a number of parallel pipes in each section, don't you?—

A. The general way of increasing the line is to put in more pipes.

13425 Q. Well, the fact is that as they are in operation to-day, they have, generally speaking, a number of parallel pipes in each section, do they not?—A. There are only two or three small unimportant lines but what have that. Some have as high as seven pipes, six, five, and so on.

Q. So you may start off with a section of five or six or seven pipes and then diminish to two or three pipes?—A. Yes, sir.

Q. And you increase again to a larger number, and so on. It goes forward irregularly, does it not?—A. Yes, sir; irregularly.

Q. And it is also true that even among the parallel pipes they are not always of the same calibre?—A. No, sir; not always. It depends on when the change was made, what was the reason of it, how much capacity they wanted to increase it at a certain time. They might put a 6-inch alongside of an 8-inch, or a 12-inch alongside of an 8.

Q. Well, the result is that you have pipes of very different capacities parallel to each other in the existing line; isn't that so?—A. Yes, sir.

Q. Almost everywhere?—A. On almost all the important lines.

Q. As a general thing, when you are going up a mountain is it necessary to use a larger or smaller pipe relatively?—A. In going uphill we generally use a smaller line, so that we can carry the necessary higher pressure. Going down grade we put in a larger pipe.

Q. The oil as it is pumped through the pipes is under a high pressure, is it not?—A. Yes, sir; quite a high pressure.

13426 Q. How frequent are the pumping stations?—A. It depends on the local conditions of the country. Sometimes they may be less than twenty and sometimes they may be over fifty. We have pumped oil over 200 miles, with one pump. That decreases the amount that you can get through a line.

Q. Where a line is in practical operation, it is necessary to keep——A. Generally from 30 to 50 miles the stations will average, apart.

Q. What is the great thing to be sought for in moving oil, in practical operation, in pipe lines, in regard to the rate that it goes through?—A. You have to maintain a regular rate of flow through each station in your system. If you just had one pipe going through, one station would have a larger capacity than another, due to local conditions; and they are increased by the requisite amount of parallel line along until the capacity of the stations becomes the same.

Q. The great thing to be aimed for is to move the oil along at a uniform rate of speed, is it?—A. At a uniform rate of flow.

Q. So that the oil in front will get out of the way of the oil behind?—A. Yes, sir.

Q. Generally speaking, you can only get oil through a pipe by pushing it with other oil behind it?—A. Pushing it ahead with other oil. That is the only practical way of doing it.

Q. What is the occasion for using tanks, in a pipe line? I do not refer to the initial tank, but in the course of the line.—A. It

13427 depends on the location of the line. One station could not pump always at the same rate as another station. They might have an accident with their machinery, or communications might go down, and have trouble with high water, or any trouble that would cause them to shut down. When they were not in communication with each other by telegraph or telephone, they would have to have some place to put the oil. That is the principal use of the intermediate tanks along the line. Of course at junction points you have to have a large amount of tankage. The oil goes into and out of these tanks, and sometimes the level of the oil in a tank, where they are pumping into and out of a tank, will not change to amount to anything for days at a time, while the machinery and everything is all running right.

Q. Have you in your experience had occasion to notice the effect of pumping oils of different gravities in the same pipe, one behind the other?—A. Yes, sir.

Q. Or oils of different chemical composition?—A. Yes, sir. We have had trouble with handling and keeping separate the different kinds of oil, ever since there commenced to be different kinds of oil.

Q. What has been your observation generally in regard to that?—A. There is a considerable mixture of oils going through the lines.

Q. Do you mean to say a mixture of a high gravity oil with a low gravity oil?—A. A high gravity oil and a low gravity oil, or even when the oils are of the same gravity, there is a large mixture. Sometimes the question of viscosity has a great deal to do with the
13428 mixture. You may have two oils of the same gravity and one be much thicker than the other, and there would be a very large mixture in a case like that.

Q. What has been your observation as to whether the amount of mixture resulting is a progressive matter?—A. Yes; the amount of mixing is larger the longer the distance the oil has to travel. In a short distance the mixing is not very much. And it makes a good deal of difference whether the lines that it is traveling through—if it happens to be traveling through parallel lines of the same kind, or the same size, or not.

Q. What are the chief recognized causes of the mixture or contamination that you are speaking of?—A. The principal mixture is the one due to the oil moving slower on the side of the pipe than it does in the center. The next in importance, I should say, would be due to parallel pipes of different sizes. Oil moving in an 8-inch and a 12-inch that are parallel, or a 6-inch and an 8-inch that are parallel, the oil would move considerably faster in the 8-inch than it would in the 6. The same way in the 12; it would move faster than it would in the 8.

Q. What is the difference in the rate of speed between oil in an 8-inch pipe and a 6-inch pipe, other conditions being equal?—A. It depends a little on the amount of oil you are pumping through a line. Oil would go through an 8-inch pipe 6 or 7 hundred feet per mile ahead of oil in a 6-inch; possibly more or less, according to the

amount that was going through; about 700 feet. That is, the oil in the 8-inch pipe would reach the end of the mile 700 feet ahead of the oil in the 6-inch.

Q. If you had three 8-inch pipes and one 6-inch pipe,
13429 parallel in a certain section of pipe line, and so continuing for about 13 miles, then coming together, how much difference would there be in the velocity there? What difference would there be in the point which the head of the columns in the pipes had reached?—A. 13 times 700.

Q. That would be about how much? A mile? Multiply it if you want to.—A. 9,100 feet.

Q. That is pretty close to 2 miles, is it not? A mile and three-quarters?—A. A mile and three-quarters; yes, sir.

Q. In other words, when the oil in the 8-inch pipes had just reached the junction point, the head of the oil in the 6-inch pipe would be a mile and three-quarters behind it; is that correct?—A. Yes, sir.

Q. How much oil would that represent in barrels, that is to say, the contents of the 6-inch pipe for a mile and three-quarters?—A. That would be about 1,742 barrels of oil in the three 8-inch lines, and about 315 in the 6-inch line. The 315 in the 6-inch would mix with the 1,742 in the 8-inch.

Q. If the oil in front was Mid-Continent oil of about a gravity of 33, and the oil behind was Pennsylvania oil of an average gravity of 44, then I understand that what would happen at the junction point would be, in the first place, that when the head of the Pennsylvania oil in the three 8-inch pipes reached the junction point, the head of the Pennsylvania oil in the 6-inch pipe would be a mile and three-quarters behind?—A. Yes, sir.

Q. And that mile and three-quarters is necessarily still filled with Mid-Continent oil?—A. Yes, sir.

13430 Q. And that Mid-Continent oil proceeds to flow out at the junction point, while Pennsylvania oil is flowing out from the three 8-inch pipes; is that correct?—A. If you disregard the local——

Q. Disregarding other conditions.—A. If you disregard other conditions, yes, sir.

Q. And by the time that the Prairie oil or the Mid-Continent oil had entirely flowed out of the 6-inch pipe, 315 barrels of Mid-Continent oil would have mixed with some 1,742 barrels of Pennsylvania oil?—A. Yes, sir.

Q. Is that what you mean to say?—A. Yes, sir; assuming that those figures are correct.

Q. Does it, however, follow that the flow would be as smooth and uniform as that? Are there any other causes which tend to affect the rate of flow in parallel pipes?—A. No, sir; even if the pipes were of the same size there might be a great difference. Paraffine forms on the inside of the pipe and causes, sometimes, a very great difference in the flow through the pipe. Obstacles of different kinds get in the pipes and stop the flow. Where the lines are used in

pumping paraffine oils a scraper has to be run through the lines to remove the paraffine, and the amount of paraffine that is in the immediate vicinity of that scraper changes the flow through that line to a great extent. Sometimes the paraffine will collect enough to stop the flow entirely. I have seen a line cut that there was so much paraffine in (being cut in a valley) that no oil came out of the line at all.

Probably two or three thousand barrels would have come out
13431 of the line if there had been no paraffine in it.

Q. You mean, in other words, that the pipe was entirely clogged up with paraffine?—A. The pipe was entirely stopped up. It was so thick that you could make it into balls.

Q. And that trouble with paraffine, and the trouble arising from scrapers or separators, and I suppose there are other general causes making differences in friction——A. Yes, sir; at times.

Q. ——are entirely independent of the rate of flow which you first described between pipes of different caliber—which presupposes perfectly smooth pipes?—A. Yes, sir.

Q. And these other conditions that you speak of apply not merely when the pipes have different calibers, but when they have the same caliber?—A. When they have the same; yes, sir.

Q. That general cause of mixture necessarily increases in accordance with the length of the line through which the oil is pumped, at least as far as these conditions continue?—A. Yes, sir.

Q. Are you familiar with the line from Morgantown to Millway?—A. I have walked a good deal of it.

Q. Am I right in my recollection that it is only a small part of that line where there is a diversity in the diameters of the pipes?—A. Yes, sir; there are only two or three places.

Q. It is all included within the first 30 or 35 miles, isn't it—something of that sort?—A. No, sir; my recollection is that in the first section of about 30 miles, and the second section of 30 miles, there are parallel 6 and 8 inch lines.

13432 Q. At any rate it is true that all the construction of that sort in that particular line is in the early part of the line?—A. Yes, sir.

Q. The first quarter or some such matter?—A. Yes, sir.

Q. And the balance of the way the pipes are laid in a series of parallel pipes of the same diameter?—A. Of the same diameter; yes, sir.

Q. Are there other lines or combinations of lines through which batches of oil are pumped by the Standard Oil interests where this irregularity of construction—that is, irregularity of calibre—extends a much greater distance than that?—A. Yes, sir.

Q. So if you found, for example, that in a general way that irregularity extended not over 50 or 60 miles, but over 4 or 5 hundred miles, you would expect to find that the resulting contamination increased somewhat, at least, in proportion to the distance, would you not?—A. Yes, sir.

Q. And it is, I suppose, a fact that the amount of trouble from that source depends upon the distances in which the irregularity of structure extends?—A. Yes, sir.

Q. The other cause of contamination, resulting from the different rate of flow of different parts of a stream of oil in the same pipe is a constant quantity, I suppose, is it?—A. That is practically in proportion to the length of the line.

Q. Have the pipe lines which have been managed by the Standard Oil interests found this trouble resulting from contamination of mixture a matter of commercial importance?—A. Yes, sir.

13433 Q. What means have they taken, if any, to minimize the consequences resulting from it?—A. In some places, where it is possible, they handle their oil in very large batches, large amounts of oil being handled. That is the principal way in which it can be avoided. In some places a line, where it is built up of a number of parallel lines, can be divided temporarily according to about the way the oil is coming into the line, and you can run on quite a little while without changing grades of oil.

Q. Generally speaking, in practice what has been true as to the size of the batches of oil that have been used? Have they been large or small?—A. They have been large.

Q. In the manner in which the business of the Standard Oil interests is managed, so far as conveying crude oil through the pipe lines, who are regarded as the shippers of the crude oil—I mean among the Standard Oil interests?—A. The Prairie Oil & Gas Company, the Ohio Oil Company, and P. S. Trainor are the principal shippers.

Q. A number of tariffs have been placed in evidence by the Government, tariffs of various pipe-line companies, which among other provisions contain the following, or substantially the following, provision: "Orders for the shipment of any specified kind of such crude petroleum shall only become effective when orders from the shipper in connection with orders from other shippers for the same kind and quality of petroleum shall amount in the aggregate to 300,000 barrels or more, consigned to the same point of delivery." Some of the

13434 tariffs contain smaller amounts, but the other language is substantially the same. Were you called upon to advise in regard to fixing the amounts of those shipments?—A. Yes, sir.

Q. Alone, or with others?—A. With others.

Q. The others were experts like yourself?—A. They were men who were interested in the work; had been handling the oil.

Q. Was this presented to you as an expert question to decide or to advise?—A. As a practical operating question, I should say, more than as an expert—a practical operating question.

Q. What considerations entered into the determination of these amounts by yourself and your colleagues?—A. The consideration of the complexity of the system through which the oils would have

to go, and a knowledge of the conditions that we had met; that we had had to handle the oil in large batches in order to prevent the mixing.

Q. How did the complexity of the system bear upon the problem?—A. We knew that there was a mixture in the longer lines. We knew that there was a still further mixture, due to the paralleling of lines of different sizes—whether the oil goes into the tanks or does not go into the tanks when it passes through the various connections. They all bore upon the question.

Q. Did you take into account the distances that the oil had to be moved, in a general way?—A. In a general way.

Q. And also the degree of complexity in the particular distance—whether it was longer or shorter?—A. Yes, sir.

Q. It might be true, I suppose, that some shorter lines might be more complex than others that were longer?—A. Yes, sir.

13435 Q. And therefore the resulting amount of mixture might, as far as that cause is concerned, be greater on the shorter line than on the longer one?—A. It might be; yes, sir.

Q. You took those circumstances into account also?—A. Yes, sir.

Q. And the capacity of the line?—A. The capacity of the line, and whether the line was a continuous line or branched out at some junction point to various places.

Q. These you considered as bearing upon the question of the amount of mixture, did you?—A. Yes, sir.

Q. How did all these circumstances influence you in determining the particular amount that you fixed upon?—A. The amount of 300,000 barrels for points from the western part of Ohio east was a number that we had been observing for several years prior to this time.

Q. Why is it any advantage to move large amounts of a single kind of oil, in view of this matter of contamination?—A. The refineries kick if you mix it up.

Q. I know. But explain what difference it makes. Why is it any better to move 300,000 barrels at one time than 50,000 at one time, as far as the contamination is concerned?—A. The contamination is so much smaller in proportion.

Q. That is to say, the contamination for a given length of line is somewhere near constant, is it?—A. Yes, sir.

Q. If it forms a part of a small batch, it is a larger percentage than if it forms a part of a larger batch; is that so?—A. Yes, sir.

13436 Q. Is that the point of view in which engineers view the matter in determining these amounts, or is that one of them?—A. That is one of them; yes, sir.

Q. You say that several years before these tariffs were issued these amounts of tenders, or substantially those amounts, had been observed?—A. Yes, sir.

Q. That is, the Standard Oil shippers had been required to comply with them, had they?—A. Yes, sir.

Q. And they had complied with them?—A. Complied to them; yes, sir.

Q. So that when you advised these amounts you were not then entering upon any radical change in the policy?—A. No, sir; it was simply formulating our practice.

Q. Practices by which the Standard Oil shippers had been governed?—A. By which the Prairie and Ohio Oil companies and Trainor were governed.

Q. The language which I read you from one of the tariffs and which is substantially the same in all the tariffs that are in evidence states in part that the orders for the shipment of any specified kind of such crude petroleum shall only become effective on orders from the shipper in connection with orders from other shippers, and states the amount, etc. I ask you, in practice, by the pipe line companies, how are those words "other shippers" interpreted—as including whom?—A. Including every one that ships over the line: the Ohio Oil Company, the Prairie Oil & Gas Company, Trainor, and anyone else that might choose to offer any oil.

13437 Q. In other words, the three Standard Oil shippers whom you have named are included among the entire class of shippers in connection with making up the amount of the tender?—A. Yes, sir.

Q. And is that construed in practice to mean that if any independent shipper can furnish an amount of crude petroleum of the same kind and quality as that which has been tendered by one or more of the Standard Oil shippers, and if his tender and theirs together make up the 300,000 barrels, all consigned to the same point of delivery, that the pipe lines are bound to take his shipment and will take his shipment?—A. They would have to, unless some of the other clauses of the tariff interfered.

Q. I mean to say, as far as that one clause is concerned.—A. Yes, sir.

Q. I am not asking you broadly about the whole tariff; I am directing your attention simply to that one clause.—A. Yes, sir.

Q. Assuming all other things to be equal, all other things to be properly complied with, you in practice construe that language to mean that the 300,000-barrel tender, or the 75,000-barrel tender in another instance, as the case may be, may be made up by any amount of crude oil of the same kind and quality, consigned to the same point of delivery, brought in by an independent shipper, which, combined with an amount tendered by one of the Standard Oil shippers, will make up the 300,000 barrels?—A. Yes, sir.

Q. About what is the distance by the pipe line from Preble to Unionville?—A. I think it is about 800 miles (I will not be sure) from Preble to Unionville.

13438 Q. You don't mean 800 miles, do you?—A. No; from Preble to Unionville is not as much as that.

Q. Between 5 and 6 hundred, isn't it?—A. It is about 600 miles I should say, or a little over.

Q. Suppose that a batch of relatively high gravity oil, preceded by one of relatively low gravity, were started from Preble, destined for Unionville; I wish you would describe the combinations of pipes through which it would have to pass, the different calibers, etc., and the tankage systems which would be involved in that distance, so far as you can.—A. From Preble to Unionville, I can not give you the accurate distances from memory, but I can tell you approximately.

Q. Tell in a general way.—A. It would start out from Preble through five or six 8-inch lines, or a part of them. After going about 12 miles it would pass into a combination of an 8 and a 12 inch line. Then it would reach the next station, where there is a large amount of tankage and other oil coming in. It might have to be put into tanks and kept there for several days or several weeks. Then it would pass on through a combination of 5, 6, and 8 inch lines to another large point where more oil comes in and is handled at times. It might have to go into tankage there. Then it would pass through a system of four stations, four regular pumping stations having five or six 8-inch lines between each of them, some lines looped in. Then it would pass to the junction point which is called Mantua. From Mantua there is a side line that goes up to Cleveland, and another one reaches the seaboard by way of Morgantown. Coming to
13439 Unionville, it would pass on through another system of 6 and 8 inch lines down through five or six pumping stations, until it reached the line through New York. Then it would pass through eight stations on that line. There is a junction point where oil comes in, at Olean, New York, and some oil comes in around through western Pennsylvania. That line is all mixed up. In some places there are five lines parallel.

Q. Is it not a fact that all the way from Preble, Indiana, to Olean, New York, you are running through combinations of pipes of different calibre a large part of the time?—A. There are combinations of pipes, but they are not generally parallel of different calibres, except in two or three places—three or four places possibly.

Q. From Lima, Ohio, isn't it true that there is——A. There are at least three places where they are of different calibre, and I do not know but more; yes, there are more.

Q. If instead of going to Unionville the shipments were directed towards Centerbridge, would you have a similar condition of complexity of lines there?—A. Yes, sir. It would start in, as I said before, as far as Mantua; then it would pass through Greenford, Cooks Ferry, and Ewings, down to Morgantown; then it would pass through the complicated system from Morgantown to Millway.

Q. Before getting to Morgantown, does it pass through combination of pipes of different calibre. How about Cooks Ferry?—A. I could not say whether there are parallel lines of different cali-
13440 bre through there or not. I think there are. It is a section of the line that I never have had direct supervision over.

Cross-examination by Mr. KELLOGG:

Q. Mr. Towl, what did you say your position was?—A. Consulting engineer.

Q. You are familiar with all of the pipe-line systems of the Standard Oil companies?—A. With most of the trunk-line systems.

Q. You have in your office maps of all those trunk lines, haven't you?—A. I can not say that I have. I can make a map out of my head of most any of them. When a person wants a map I make it up for him.

Q. It would be a very easy matter for you to give us, then, the exact number of lines for each division of your trunk-line systems, wouldn't it—between each station?—A. I could get up such information.

Q. You have that information in your office, haven't you?—A. No, sir; not up to date.

Q. Your records show the length and size of your pipe lines, don't they?—A. I haven't the records in my office.

Q. Who has them?—A. I do not know. The different superintendents of the different lines have their own.

Q. You could get them up, couldn't you?—A. I could get hold of them probably.

Q. The Standard Oil operating officers or engineers must
13441 know the size of their pipe lines, don't they?—A. Not necessary that they must know them; but they do know them.

Q. And whenever you lay a pipe line you have a record of the size of it and the length of it, haven't you?—A. Some parties do. I do not know just who has that record. I haven't the record.

Q. Who has it?—A. Officers of the company, I suppose, have it, and the men that laid the pipe probably have it.

Q. Isn't it true that the engineering department keeps the record of the size and length of the lines and the location of stations?—A. They do not keep a detailed record of that. They know in a general way where it is. If they want to find out just what the condition is, they can get it.

Q. Where is the chief engineer's office?—A. I should say it was at 26 Broadway.

Q. That office contains the records showing the size and length of all your trunk lines, doesn't it?—A. No, sir.

Q. Do you say the records are not there to show the size and length of your lines?

Mr. CRAWFORD. He didn't say that.

A. I say it does not contain them.

Q. It doesn't contain any such information?—A. No, sir.

Q. Is the information at 26 Broadway?—A. I think most of it is.

Q. Do you have access to it?—A. I doubt if all of it is there. I have access to most anything that——

Q. Do you mean the records showing the size of your pipe
13442 lines are scattered all over the country?—A. Yes, sir; the

Ohio Oil Company has the records of their lines, in Ohio somewhere, and the Prairie Oil & Gas Company have the records of theirs.

Q. I am talking about the trunk lines now.—A. I should call them trunk lines.

Q. Have you the records of the New York Transit trunk lines?—A. No, sir.

Q. Do you know where you can get them?—A. I think I can get them.

Q. It would be a very easy matter for you to make up a plat or statistics showing the length of the lines, the size of the lines, the number of parallel lines in each division, and the number and location of the pumping stations, wouldn't it?—A. It would be a matter that would probably take several days to get all the information together.

Q. You can do it, can't you?—A. I can do it.

Q. Will you do it?—A. I will if I am so instructed.

Q. Well, I instruct you to do it. Now, isn't that a good deal better evidence than guessing at the size of these pipes and talking about it generally?—A. It has no more bearing on the case than the generalities that I have given you.

Q. Well, we will decide about that ourselves. I ask you to get the information and produce it here. Will you do so—next Monday?—A. I do not believe I can by next Monday.

Q. Well, next Tuesday?—A. I will see about it.

13443 Q. I want to know whether you will do it or whether you won't do it. I don't want any "seeing" about it.—A. I don't know whether I can get that information by next Monday or next Tuesday, and I am not going to say unless I know.

Q. Can you get it within a week?—A. I think I can.

Q. Will you get it within a week?—A. If I can get it.

Q. Now, you do actually pump oil of different grades from different fields to New York Harbor and to other places in batches of 300,000 barrels, and keep them separate, don't you?—A. Keep them approximately separate.

Q. How long have you been doing that?—A. Ever since they have been pumping oil of different grades.

Q. The Lima-Indiana oil is a different grade and different gravity from the Pennsylvania oil, isn't it?—A. It is a different grade, certainly. I do not know as to the gravity.

Q. One contains sulphur and the other does not?—A. Yes, sir.

Q. And you don't mix those two oils, do you?—A. No more than it is necessary.

Q. For a good many years the Standard Oil Company has been pumping Lima-Indiana oil in batches to the seaboard, following it by Pennsylvania oil in batches to the seaboard, hasn't it, and keeping them separate?—A. Yes, sir.

Q. Through the same pipes?—A. Yes, sir.

Mr. CRAWFORD. Do you mean keeping them separate?

13444 WITNESS. Keeping them approximately separate.

Mr. CRAWFORD. What do you mean by approximately separate?

Mr. KELLOGG. Wait until I get through, and then you can ask him as much as you please.

Q. Take the Mid-continent oil from Kansas and Oklahoma; you pump that to the seaboard, too, don't you?—A. That comes to the seaboard; yes, sir.

Q. And you do not mix that with the Lima-Indiana or the Pennsylvania?—A. No more than is necessary.

Q. The Illinois oil; you pump that to the seaboard, too, don't you?—A. Yes, sir.

Q. And you don't mix that with Lima-Indiana or with Pennsylvania?—A. No more than is necessary.

Q. Or with Mid-continent?—A. No, sir.

Q. Prior to 1906, prior to the passage of the Hepburn bill and the filing of these tariffs, you had no published or filed tariff for transportation of oil, had you?—A. No, sir.

Q. You had rates—charges—but you did not put them in a published tariff?—A. I do not know whether they had any charges or not; I am not familiar with that end of the business.

Q. You were familiar with the fact of their handling different grades of oil through pipes?—A. I know they handled different grades of oil through the pipes.

Q. Isn't it a fact that at times you pumped very much less than 300,000 barrels in batches?

Mr. CRAWFORD. From where to where?

Mr. KELLOGG. From the Lima-Indiana field and western Pennsylvania to the seaboard.

13445 A. I do not think it could be considered as a fact at all. There were possibly a few batches, in the early experimental stage, that came along that were less than that. Take two years prior to that; I am confident that there were not half a dozen batches of less than 300,000 barrels handled through those lines. That two years was a time when the oils from the Mid-continent field commenced to come in. That made a great difference.

Q. I am talking about Lima-Indiana and western Pennsylvania. You have been pumping Lima-Indiana to the seaboard since 1890, haven't you?—A. I could not give just the date. I should think that was approximately the time.

Q. Eighteen years. Now, during that time isn't it a fact that you have pumped Lima-Indiana oil to the seaboard in batches of much less than 300,000 barrels at times?—A. I can not say, but I do not think it is. I am pretty confident that it is not.

Q. Who keeps the records of the amount pumped through the lines?—A. Mr. W. W. Pilkington.

Q. He has a record of each shipment, hasn't he?—A. I do not know whether he has a record of each shipment or not.

Q. Your pipe-line agents or operatives furnish it, do they not?—A. Furnish what?

Q. Furnish these statistics; furnish the figures of the amount going through the pipe lines.

Mr. CRAWFORD. To whom?

Mr. KELLOGG. To Mr. Pilkington's office.

13446 A. The men report how much oil they are handling.

Q. In other words, if a hundred thousand barrels of western Pennsylvania oil is put in the pipes at some place in western Pennsylvania, your operatives have to do it, don't they?—A. The tariffs from western Pennsylvania are not 300,000.

Q. I understand. They are only 75,000?—A. Yes, sir.

Q. So you would handle western Pennsylvania oil in batches of 75,000 barrels?—A. Yes, sir.

Q. Then, why can't you handle Lima-Indiana in batches of 75,000 barrels?—A. It is not a practical thing to do.

Q. Why not?—A. We can not do it for ourselves, and would not do it for ourselves.

Q. Have you not as a matter of fact many times pumped Lima-Indiana oil in batches of less than 300,000 barrels?

Mr. CRAWFORD. At what period?

Mr. KELLOGG. Prior to 1906.

Mr. CRAWFORD. He says he didn't do it for two years prior to 1906.

Mr. KELLOGG. Well, prior to that, then—prior to 1904.

Mr. CRAWFORD. Then the conditions were different.

A. I don't think so.

Q. How do you know you didn't?—A. To the best of my recollection, we haven't.

Q. You have never pumped any batch less than 300,000?—A. Oh, yes; we have—in the early experimental stages, when we did not know how much it would mix, we pumped less than that.

Take it from 1890 down to 1900; during that ten years

13447 did you pump at times less than 300,000 barrels?—A. There possibly were some times when there came less than 300,000; but in a majority of cases it was very much more than that.

Q. Certainly—because the Standard Oil could conveniently take it in very large batches, couldn't it?—A. Not very conveniently.

Q. It couldn't?—A. No, sir.

Q. Well, you don't call the whole ten years experimental stages, do you?—A. No, sir.

Q. If it is a fact that during those ten years you did pump a great many times batches in less than 300,000 barrels, it was not for experiment, was it?

Mr. CRAWFORD. I object to that. He has not stated that they did it very many times.

Q. To whom do your agents give this information as soon as the oil is run into the pumps—the amount?—A. What information?

Q. The amount of oil.—A. What amount of oil?

Q. The amount that is run into the pipes.—A. From where?

Q. From the western end.—A. To where?

Q. To be transported to New York.—A. I suppose they give it to the men that are in charge of the operating of the oil—the running of the oil; train despatcher, you might call him.

Q. Whom does the train despatcher give it to?—A. He tells the man that should open the gates what gates to open, what tanks to connect to to get his oil.

Q. Who furnishes the information to Mr. Pilkington's office?—A. What information?

Q. The information about the amount of oil that is carried in one batch.—A. I do not know.

Q. You don't know?—A. No.

13448 Q. Suppose you are going to take 300,000 barrels, or any other amount, or 500,000, of Lima-Indiana oil and transport it from Ohio and Indiana to New York——A. Yes, sir.

Q. ——who gets the order for that? Who gives the order?—A. I give it up. I can't tell you.

Q. You don't know?—A. No, sir.

Q. Well, who gets it on the pipe line?—A. The superintendent has to do the work; probably gets word to that effect.

Q. After the superintendent has given his orders and they have run 300,000 or 400,000 barrels—the desired amount—into the pipes, does he report the exact amount?—A. He reports just what he is doing every day.

Q. To whom?—A. To Mr. Pilkington.

Q. That is just what I was trying to get at. Then, Mr. Pilkington has a record in his office showing the amount transported in each batch, hasn't he?—A. That is another question. He has a record of the gauges of the tanks, how much there was in them, and he figures out how much has been pumped from day to day and keeps track of the batches.

Q. Then he has a record of each batch, hasn't he?—A. I do not know.

Q. Why?—A. Because that is a long time ago and——

Q. Oh, I am not talking about all the time. He has from time to time, hasn't he?—A. He has from time to time; he has for the last week and probably the last month, and I think probably he has it for the last five or six years. I don't know whether he has anything previous to that or not.

13449 Q. Then he can tell, can't he, the amount of oil run in each batch and the amount of contaminated oil?—A. I doubt if he can prior to the last three or four years.

Q. Why not?—A. Because most of it was handled in such large batches that the contamination was ignored.

Q. Isn't it true that you have handled western Pennsylvania oil of different grades in batches of from 50,000 to 100,000 many, many times?—A. From where to where?

Q. Western Pennsylvania to the seaboard.—A. I don't think ver many times. They have a number of times, and I recall a case whe they handled 9,000 here a little while ago, or tried to, and lost it.

Mr. CRAWFORD. Why did they lose it?

WITNESS. It got mixed up with all the other oil in the line.

Mr. CRAWFORD. Do you mean they lost it all by contamination?

WITNESS. Yes, sir; could not find it at all.

Q. Never did find it, I suppose?—A. No, sir.

Q. Well, I guess they won't miss it. Now, you take your lin running from Preble, you say, to New York, by the way of Union ville, that you have been talking about here.—A. Yes, sir.

Q. Have you more than one system? Do you divide into more tha one system?—A. Some places it is divided; some places it is not. W try to keep it as separate as we can.

Q. You say you recollect some three places where the paralle lines differ in size?—A. Yes, sir.

Q. At those places do you divide it?—A. Some of the lines ar divided and some are not.

Q. Can you divide them?—A. We can by losing a larg
13450 amount of capacity.

Q. Do you actually, in the transportation of Lima-In diana oil and the other western oils, divide that line?—A. No perma nent division. The gates are closed occasionally—sometimes.

Q. Do you divide it sometimes?—A. Sometimes.

Q. For convenience?—A. Yes, sir.

Q. For the purpose of keeping the oil separate?—A. For the pur pose of keeping the oil separate. If we didn't divide it we could not handle a 300,000 batch and keep it separate.

Q. Then, if you do it for yourself you can do it for other people?— A. We would do it for anyone. We treat anyone else just the same as we treat ourselves.

Q. Then there isn't any reason why you could not just as well transport oil commercially for other people as for the Standard Oil?—A. There is a pretty good reason why we have not done it.

Q. Yes; I presume there is.

Mr. CRAWFORD. But you are ready to transport on the same terms for other people, are you not?

WITNESS. We are ready, but we have never been asked to pump a barrel for anyone else.

Q. Because your tariffs stop at Unionville in New York, don't they?—A. The tariff stops at Unionville—one of them, I believe.

Q. And at Centerbridge, in Pennsylvania?—A. Yes, sir.

Q. And the other at Fawn Grove over in Maryland?—A. Yes, sir.

Q. Do you know of any refineries that could take oil at
13451 those places?—A. There are no refineries at those places that can take it.

Q. How would they get it away from there? Haul it away in wagons?—A. That would be one way or build a pipe line.

Q. That would be the only way, wouldn't it?—A. No.

Q. How?—A. At Certerbridge they could ship by canal boat.

Q. Oh, there is a canal boat there?—A. Yes, sir. At Unionville they could ship by railroad. They have their choice of two railroads. Fawn Grove has a railroad within a little over a mile of the pumping station.

Q. By what route do you ship Lima-Indiana oil to the seaboard usually?—A. Some of it comes via Olean, through the New York Transit and some comes by Colegrove over the National Transit, and I believe some of it comes by the Crescent.

Q. Does any come by the Southern?—A. Any Lima oil?

Q. Yes.—A. No, sir; not that I know of.

Q. Is the balance divided between these three lines that you mention or is it mostly transported by the New York Transit line?—A. The New York Transit Company is the largest line. They are all running full. They are probably carrying the most of it.

Q. By what line do you transport your mid-continent oil to the seaboard?—A. The Mid-continent oil can come by any of the lines to the seaboard.

Q. Which line does it come by?—A. I think it has come by all of the lines.

Q. Take in the last few months, how has it mostly come?—
13452 A. I think it has come by the Southern line and by the New York line; I am not sure.

Q. Mostly by the Southern?—A. I am not certain.

Q. That oil is transported in batches how large?—A. 300,000.

Q. Have you examined with care to see the exact amount of mixture between the Lima-Indiana oil and the western Pennsylvania oil in transportation to New York by any one of these lines?—A. I have not made any test of it at all. We have always kept them just as far apart as possible.

Q. You haven't made any record of the exact amount of mixture, have you?—A. No, sir. We know approximately what it would be.

Mr. CRAWFORD. How much?

WITNESS. Through the Southern line about 15,000 to 20,000 barrels.

Q. How do you know?—A. We have made rough tests.

Q. You mean the tests they testified to here in court?—A. No; I mean in actual operation of the line for years before that.

Q. Have you kept track of the amounts?—A. In a rough sort of a way, so that I know it is approximately 15,000 or 20,000 barrels.

Q. Where are the figures, in a rough sort of a way?—A. 15,000 or 20,000 barrels.

Q. I know, but where are the statistics? Where are your records of this?—A. I haven't them.

Q. Oh, the record is in your mind, simply?—A. It is in my mind. I don't know——

13453 Q. Doesn't your office keep the amount of contaminated oil?—A. I do not know how close the office has kept the amount. I doubt if they kept it very close until the enactment of

the Hepburn law, when we were compelled to formulate certain rules to work by.

Q. Have you got the records since then of the amount of contamination, the percentage?—A. I do not know. I think so. I think they have them.

Q. Does the record show the exact degree of contamination of the total amounts?—A. No; it shows it as taken by the ordinary men that operate the line—not an accurate scientific test—most all of them.

Q. In other words, it takes the oil that would be contaminated at all?—A. What?

Q. Let me illustrate it in another way. Oil varies. You take Pennsylvania oil, which is called all of the same general grade. It varies slightly one or two degrees at times, doesn't it?—A. Yes, sir.

Q. So a contamination of the same general kind of oil of one or two degrees does not cut any figure commercially, does it?—A. Well, there is a difference between oils. Oils of the same gravity might be considerably contaminated with other oils of the same gravity.

Q. I am leaving out the sulphur oils of Lima, Ohio. I am taking the western Pennsylvania oil, which is called the oil of the same grade—that high-grade oil. That varies in degree of gravity, does it not?—A. Yes, sir. It varies in color and viscosity and gravity.

Q. You don't keep that oil separate, do you?—A. We keep
13454 it in two approximate batches.

Q. Now, you take one of those batches, which is called high grade oil, and the other is of a low grade oil, isn't it?—A. Yes; we call them that.

Q. The high grade oil varies in degrees of gravity, does it not?—A. Yes, sir.

Q. But you don't keep it separate?—A. No.

Q. A mixture of one-half degree or a degree does not cut any figure commercially, does it?—A. Not of oil of the same general grade.

Q. That is what I mean?—A. If a party should offer us oil of a degree lower in gravity, and if it was the same color and practically the same oil, why, we would not hesitate to pump it with other oil.

Q. That is the general practice, isn't it?—A. Yes, sir.

Q. Now, how many grades of oil do you transport from Oklahoma?—A. There have been two grades transported, but never farther than the junction where the line goes to the refinery at Kansas City, that I know of. I am not entirely familiar with that line.

Q. That is, you transport two grades as far as the junction of the Sugar Creek refinery?—A. There have been transported two grades to that point. It is not a general practice. They practically run all of their oil as one grade; but that has been done. That was a number of years ago.

Q. The great bulk of the Oklahoma-Kansas oil is of 32 degrees or over, isn't it?—A. I don't think so.

Q. Well, do you know?—A. Why, I am reasonably familiar with it. I think it will average about that. There is some of it

13455 that is a great deal better than that, and in my opinion some day it will be handled separately.

Q. There is no physical reason why it cannot be handled separately, is there?—A. It would have to be handled in very large batches. If they should start to handle through their system from Humboldt, Kansas, to Whiting, Indiana, they would have to make the limit of their amount at least 500,000 to avoid, say, 20 or 30 per cent of contamination.

Q. Do you say the great majority in bulk, in amount, of the Oklahoma and Kansas oil is not 32 or better?—A. No; it will average 32 or better.

Q. Yes; that is what I mean. I think you misunderstood me a few minutes ago. What I meant was the bulk of the Kansas-Oklahoma oil was 32 or better?—A. In understood you to say 32.

Q. Oh, no; 32 or better.—A. Well, it will average about 32, I think; between 32 and 33.

Q. The same price is paid for 32 or better, is it not, all over that territory?—A. I give that up. I am not familiar with that.

Q. You do not know what the Standard pays?—A. I do not.

Q. Where you come to a division where there are pipes of different size, do you usually pump through all those pipes or do you divide the line where you have different kinds of oil?—A. If we can, we pump through all of them, for the reason that it will greatly reduce our capacity if we do not.

Q. What do you actually do in your transportation when you are changing from one kind of oil to another? Do you pump through all, or do you divide the line—in your actual transportation yourselves?—A. We pump through the system as it stands.

13456 Q. Don't you divide it at times?—A. At times we divide it, yes, but not as an operating question.

Q. Do you have a system of gates so that you can stop the oil in one of the pipes?—A. Yes, sir.

Q. Do you use it?—A. No, sir.

Q. Don't you ever use it?—A. Yes; in case of breaks or trouble.

Q. Don't you use it in the case where you want to stop the oil in one of the pipes?—A. No, sir.

Q. You never do?—A. I do not know of it ever being done.

Q. It can be done, can't it?—A. I do not think it can be done in a practical manner.

Q. Why?—A. Because it is very difficult to tell just when the division should be made, and it would mean a great deal of detail to catch it.

Q. If you are transporting oil through a single pipe of the same size all the way to New York, you can tell to a minute, almost, when the oil will reach a definite point, can't you?—A. No, sir.

Q. You can't?—A. You can't tell within a day. That is, starting from the West.

Q. How do you measure it—by the strokes of the pump?—A. We gauge the tank and we check it up by the strokes of the pump also.

Q. Well, I mean in that way you can tell when the oil reaches you, can't you?—A. We can tell when so many cubic feet of oil have been pumped into that line, but we can not tell whether that oil has ever reached there or not—the same oil.

13457 Q. Don't you ever use the gate to stop the oil in one pipe when it is a different size from the other?—A. I do not know of that ever having been done, and I am very familiar with the operation of the line.

Q. Can't it be done?—A. I do not think it can be done in a practical manner.

Q. But you do divide the lines at times?—A. We divide the lines at times, as I have said a number of times.

Q. Well, do you have two tanks at nearly every station, or more?—A. Two tanks at a good many of them, yes.

Q. Don't you have two at every station?—A. No, sir.

Q. Well, I mean where there is more than one line.—A. I would have to think that over a little bit. I think possibly where the capacity is more than one line, there are more than two; but there were not more than two on the Southern line until the last year or two.

Q. There are now?—A. There is only one tank, I think. I have not been to the stations and I am not familiar with just the condition. But I think there are two at each station now.

Q. There are at least two tanks, then, at every station where you have more than a single line?—A. I think so. I won't be sure.

Q. In the transportation of oil, where you pump it through lines of different size, do you ever cut it out into another tank?—A. Yes.

Q. To prevent its mixing?—A. Yes.

Q. So that where you are pumping oil through three or four lines, some of them vary in size?—A. Yes, sir.

13458 Q. And it will run more rapidly in one size than in the other? You cut it out into a separate tank to prevent it mixing?—A. No, sir.

Q. You don't do that?—A. No, sir.

Q. What did you mean by saying you did where you had lines of different size—cutting it out?—A. We do not have those conditions at the station.

Q. What did you mean by saying you cut it out into different tanks to prevent mixing?—A. We do.

Q. How do you do it?—A. When we think one kind of oil has passed, we turn it over into the other tank—the whole system.

Q. Don't you cut out separate pipes?—A. No, sir.

Q. Why not?—A. Because it is not practical to do it.

Q. Why don't you do that?—A. You can not tell when it is coming.

Q. You can tell when it does come, can't you—test it? How do you find out in order to cut it out?—A. Might possibly do it at a station; but take the Southern line, for instance; the oil does not go in a tank from Morgantown to Millway.

Q. Wait a minute. I am not talking about the Southern line. How do you find out in order to cut out the oil when you want to make a change?—A. Take a sample of it.

Q. Very well. Then, why can't you take a sample of it by cutting out one pipe if it is running faster than the other?—A. You can do it, I suppose.

Q. Why, certainly.

Mr. CRAWFORD. You would have to stop pretty nearly the whole system to do it, wouldn't you?

13459 Mr. KELLOGG. Not at all.

Mr. CRAWFORD. Certainly, he would have to cut out the 8-inch line in order to get the 6-inch line to catch up.

Q. No; each one is cut out separately.—A. You would have to cut out the 8-inch and the 6-inch. That case does not come in at these points.

Q. You could cut out the larger pipe or the smaller one, couldn't you?—A. The lines are the same size at these points that you mention, at practically all of the places.

Q. You take where you have a division, and you have three lines, two 6-inch and one 8-inch, reaching the pumping station where you have two tanks.—A. Where is that system, please? I don't know of any such.

Q. Well, tell me one that you have got with different sized lines.—A. I can't tell you offhand.

Q. All right. When we get those maps, I suppose we will see how your line is fixed. What do you actually do where you have lines of different size and you are transporting your own oil, to prevent mixture?—A. We do just what I have told you.

Q. Do you cut out part of the lines?—A. If it is advisable to do it. We run everything to keep the mixture—contamination—down just as low as possible.

Q. Now, as I understand you, this tariff means that if a shipper wishes you to take 5,000 or 10,000 barrels of western Pennsylvania oil of the same grade that you are running for P. S. Trainor, you will take that 10,000 barrels and deliver him an equal quantity at the delivering station?—A. Subject to the mixture with which it probably goes. We can not undertake to deliver him that 10,000 or anywhere near it.

13460 Q. Oh, I understand. But if you are running 75,000 barrels or 70,000 barrels for P. S. Trainor, of western Pennsylvania oil, of the high-grade oil, and another shipper offers you 5,000 barrels of that same grade of oil, that same general grade, you consider P. S. Trainor as a shipper, so that you will take this man's 5,000 barrels?—A. Yes, sir.

Q. And you mix it with Trainor's and deliver him an equal quantity?—A. Yes, sir.

Q. He has got to take his percentage of the mixture the same as Trainor has?—A. Certainly.

Q. If he has 5,000 barrels and Trainor 70,000, why, Trainor will get 14 times as much mixture as the other shipper, or substantially that?—A. Yes, sir.

Q. You will cut him out 5,000 barrels?—A. Yes, sir.

Q. Why don't you say that clearly in your tariff?—A. It says it clearly.

Q. Is the public to understand that a shipper means any of the Standard Oil companies?—A. Why, certainly.

Q. That is what you understand it?—A. Certainly; anyone would understand it that way by reading it.

Mr. CRAWFORD. You didn't phrase those tariffs, did you?

WITNESS. I didn't phrase them; no.

Mr. KELLOGG. I hope that is true.

WITNESS. That is certainly what it says.

Mr. KELLOGG. I would be glad if that is the case.

Mr. CRAWFORD. Certainly. There is no other construction to be put upon the language.

Mr. KELLOGG. I am very willing to accept that.

Q. You know the United States Pipe Line, don't you, Mr.
13461 Towl?—A. I have heard of it. I know very little about it.

Q. You know it transports for various shippers of western Pennsylvania to the seacoast?—A. I don't know that it does.

Q. You have heard that it does, haven't you?—A. No, sir; I have heard that it didn't.

Mr. CRAWFORD. I object to that.

Q. Well, it does.—A. All right.

Q. It transports refined oil also, doesn't it?—A. I do not know.

Q. Now, when will you let us know how soon you can get those maps and plats, or statements of plats?—A. I will look the matter up at once and see what can be done.

Mr. CRAWFORD. I suppose he will get them if he is advised to get them, Mr. Kellogg. We will take it into consideration.

Mr. KELLOGG (addressing the witness). I want you to come back with the information yourself.

Q. How many places are there on your line from Oklahoma to your junction near Chicago—Griffith—where the lines vary in size?—A. I would say offhand that there are 14 or 15 places. Practically the whole line is built on that plan.

Q. Do you have more than one system? Do you divide it into more than one system or just have one system?—A. One system.

Q. That is all you use now?—A. Yes, sir.

Q. From Sugar Creek to Whiting you make no division as to grades of oil at all?—A. In the general operation of the line they make no division at all. I said that there had been two grades pumped
up as far as the junction to the Sugar Creek refinery.
13462 That is not the general operation.

Q. Generally you make only one grade of Oklahoma-Kansas oil?—A. That is all.

(An adjournment was here taken until the morning of Friday, December 11, 1908, at 10.30 o'clock.)

13463 ROOM 515, CUSTOM-HOUSE, NEW YORK CITY,
Friday, December 11, 1908—10.30 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr. Charles B. Morrison. On behalf of the defendants, Mr. Moritz Rosenthal, Mr. F. L. Crawford.

HUGO CHARLES WASMANN, called, being duly sworn, testified as follows:

Direct examination by Mr. ROSENTHAL:

Q. Your full name, please.—A. Hugo Charles Wasmann.

Q. Where do you live, Mr. Wasmann?—A. Los Angeles, California.

Q. How long have you lived there?—A. 25 or 26 years.

Q. What is your present occupation?—A. I have charge of the lubricating oil sales in Los Angeles proper.

Q. For what company?—A. Standard Oil Company.

Q. Of California?—A. Yes, sir.

Q. How long have you held that position?—A. This time since January 1, 1907. I was with them before that.

Q. In what capacity before?—A. A traveling salesman.

Q. Well, what does that mean?—A. To try and sell all
13464 our products in every department, outside of the city.

Q. And where did you travel?—A. Mostly around local territory, around Los Angeles.

Q. Within the State of California?—A. Within the State of California; yes, sir.

Q. Your sales were made entirely within that State, were they?—A. Mostly so; yes, sir.

Q. Were you ever employed by any other oil company in California?—A. Yes, sir.

Q. What other companies?—A. Puente Oil Company and Southern Refining Company, both of Los Angeles, California.

Q. And when were you with the Southern Refining Company?—A. I will have to make sure. I have the figures right here. [Referring to memorandum.] From March 1 to September 1, 1904.

Q. In what capacity?—A. Traveling salesman.

Q. Selling what?—A. Refined oils, lubricating oils, distillates.

Q. Where was the Southern Refining Company located?—A. In Los Angeles city.

Q. What was its business?—A. Making asphaltum principally, distillates, refined oils, lubricating oils, and axle grease.

Q. They have a refinery there, have they?—A. They have a refinery there; yes, sir.

Q. And when were you with the Puente Oil Company?—A. From April 9, 1906, to August 1, 1906.

Q. You first started in the oil business when out there in California?—A. November 1, 1894.

13465 Q. And with what company were you at that time?—A. Standard Oil Company.

Q. And remained with the Standard during all the time since, except those periods when you were with the Southern Refining Company and the Puente?—A. With some time that I looked after my private interests.

Q. What was the year that you were with the Southern Refining Company?—A. 1904.

Q. And 1906 with the Puente Oil Company?—A. Yes, sir.

Q. From March to September, 1904, do I understand with the Southern?—A. Yes, sir.

Q. Was there any competition out there during these years since 1894 between the Standard Oil Company of California, the Southern Refining Company, and the Puente Oil Company in the sale of refined oil and lubricants?—A. Yes, sir; refined oils principally.

Q. Those two competing companies, the Southern and the Puente, started about when?—A. Started to sell refined goods?

Q. Yes, sir.—A. Why, of course, the year is not exactly in my mind, but I should judge in 1897 or 1898—a few years after I went with the Standard.

Q. What company was in the field first?—A. The Southern Refining Company was selling a little.

Q. That was in the field before the Puente?—A. Yes, sir.

Q. As between the Standard, the Southern, and the Puente, which company was in the field first?—A. The Standard Oil Company.

Q. So, who had the trade of that Los Angeles territory and
13466 vicinity in the first instance?—A. The Standard Oil Company.

Q. That was the trade upon which you called to which you sold oil all through there, was it?—A. Yes, sir.

Q. Did I understand you to say that the principal products of the Southern and the Puente was the manufacture of asphaltum?—A. The Southern Refining Company only. The Puente does not make asphaltum.

Q. I see. And what about the grade of refined oil that they manufactured during these years, as compared with the refined oil manufactured and sold by the Standard Oil Company?—A. Unsatisfactory and inferior and uneven.

Q. Unsatisfactory in what regard and inferior to what?—A. Unsatisfactory in regard to poor burning qualities, the smell, and inferior to the goods that the Standard Oil Company put out.

Q. Inferior in what regard?—A. In appearance and in its use in a lamp.

Q. Do you know why that is?—A. Inferior in manufacture, is the only thing I know about.

Q. What is the principal product of the Southern Refining Company—asphaltum or refined oil?—A. Asphaltum.

Q. And is refined oil merely a by-product with it, and incident to its——A. I presume so.

Q. Well, you have been employed by that company?—A. Yes, sir. It is a by-product; yes, sir.

Q. You were there as one of its traveling salesmen in that
13467 territory and around about its business, for many months?—A. Yes, sir.

Q. During the time you were employed with the Southern Refining Company—which I understand you to say was when, 1905?—A. 1904.

Q. You were employed there how many months?—A. From March 1 to September 1.

Q. During that time, in 1904, from March 1 to September 1, in the sale of the products of the Southern Refining Company as its salesman, with whom were you in competition?—A. The Standard Oil Company, and part of the time the Puente Oil Company.

Q. You sold refined oil at Los Angeles?—A. In the immediate vicinity.

Q. And in the vicinity. What instructions, if any, did you receive, and from whom did you receive them, while you were so employed by the Southern Refining Company, so far as the price of the refined oil that you sold was concerned?—A. The secretary and general manager gave me the instructions to take the Standard Oil prices and cut the price a cent to a cent and a half lower, if I had to, for a large order.

Q. A cent to a cent and a half what—a barrel or a carload?—A. A cent per gallon.

Q. And did you do that?—A. I most assuredly had to.

Q. Did you continue to do that during the months that you were in the employ of that company?—A. Almost every sale.

Q. Is that the way you got the business away from the Standard?—A. Yes, sir—had to.

13468 Q. Why did you have to do that in order to get the business?—A. I could not get the business at the same price as the Standard Oil sold.

Q. Why not?—A. They would not change; they would not take the risk, not knowing the new goods.

Q. You were in the employ of the Puente Oil Company, Los Angeles, in 1906, were you?—A. 1906; a short time.

Q. For about four months?—A. For about four months.

Q. With whom were you in competition there as a salesman for that company?—A. Principally the Standard; also the Southern Refining Company.

Q. What instructions, if any, did you receive with reference to prices that you should sell your refined oil at while you were so in the employ of the Puente Oil Company?—A. Identically the same as I received from the Southern; to take the Standard's price as a base

and cut underneath that a cent or a cent and a half, or as far as I thought it fit to go to get large business.

Q. Did you do that?—A. Yes, sir.

Q. Did you get any business in that way?—A. I got some.

Q. In the making of prices at which you sell your goods for the Standard Oil Company as its salesman, where do you get those prices from?—A. From the manager's office at Los Angeles.

Q. Have you any authority to modify or change those prices in any regard, in connection with any sale that you make?—A. Absolutely none, sir.

Q. Have you ever done so?—A. No, sir.

13469 Cross-examination by Mr. KELLOGG:

Q. You were engaged with the Standard up to March, 1904, were you?—A. September 1, 1903.

Q. You left the Standard September 1, 1903?—A. Yes, sir.

Q. And you commenced with the Southern March 1, 1904?—A. March 1, 1904; that is right, sir.

Q. So during those months you were not in the oil business?—A. Not at all; no.

Q. The Southern Refining Company commenced business in what year?—A. I do not know what year they began business, sir.

Q. It was prior to 1898, wasn't it?—A. Oh, yes.

Q. They had been in business a number of years before this?—A. Yes, sir.

Q. The Southern Oil Company were selling oil there during all of 1901, 1902, and 1903, weren't they?—A. Yes, sir.

Q. In business, just the same as they were when you were working for them?—A. Yes, sir.

Q. What was the price of oil in Los Angeles when you commenced to work for them in March, 1904?—A. What was the price?

Q. Yes; what price were they selling at—the Standard?—A. They were selling at a cent to a cent and a half below their prices whenever I met them.

Q. Well, what price?—A. I do not remember the quotations.

Q. How do you know they were selling at a cent or a cent and a half below, if you don't know what the price was?—A. Be-

13470 cause I got the prices from customers. I also saw Standard Oil Company's prices.

Mr. ROSENTHAL. What he says is that he does not remember the price. That is all he said.

Q. What price was the Standard selling at in March, 1900?—A. I do not remember.

Q. You do not remember what price they were selling at?—A. I do not remember the price.

Q. How would you know, anyhow, at what price they were selling?—A. I would see those at the customers' stores. They would tell me.

Q. The customers told you about it?—A. The storekeepers would tell me about it; sure.

Q. When the customers told you that they were buying from the Standard at a certain price you would cut under them a cent or a cent and a half, would you?—A. I would cut under them a cent or a cent and a half; yes, sir.

Q. You don't know that the Standard had not been cutting under the Southern before you commenced with them, do you?

Mr. ROSENTHAL. Before he commenced with whom?

Mr. KELLOGG. With the Southern.

A. I would have heard if they cut prices.

Q. How do you know you would have heard? You were not in the oil business, were you?—A. Oh, you are talking of the time that I was not in the oil business?

Q. Yes.—A. Oh, I know nothing about it at all. Pardon me.

Q. What competition had been going on between the Standard and the Southern during that time?—A. When I was out of the oil business I know nothing about it, sir.

13471 Q. So you don't know who did start the cut and the fight between the Standard and the Southern?—A. I know who started it first, yes.

Q. What?—A. I know certainly who started it first.

Q. How do you know, if you were not with either one of them in 1903 or 1904 down to March?—A. Oh, you have got me off on the price. Just ask me that question right, sir, and give me the date.

Q. I say you don't know anything about who was cutting the prices first, prior to March 1, 1904, do you?—A. That was the time I was with the Southern Refining Company. We cut it first.

Q. No, you were not with the Southern Refining Company until March 1, 1904, were you?—A. March 1, 1904, was when I went with them.

Q. Prior to that time you don't know who was doing the cutting, do you?

Mr. ROSENTHAL. Oh, he was with the Standard for many years.

WITNESS. I was with the Standard.

Q. You said you were not.

Mr. ROSENTHAL. From September to March.

WITNESS. For a few months before.

Q. During those months you don't know who was doing the cutting, do you?—A. During the months I was not with either company, of course I know nothing about it.

Q. Certainly. Now, prior to March 1, 1903, what price was the Standard selling at?—A. I don't know the exact prices.

13472 Q. What price was the Southern selling at?—A. They were selling below the prices I was making for the Standard.

Q. What price?—A. A cent to a cent and a half, as a rule.

Q. How do you know?—A. In cases I have seen the bills—seen the invoices.

Q. Now, name one; and name the price.—A. I can not remember those small details in a large business. I can not remember the particular customer. It happened in each town almost.

Q. You were doing business for the Standard during 1898, down to September 1, 1903, were you?—A. Yes, sir.

Q. In Los Angeles?—A. In the vicinity of Los Angeles.

Q. And the Standard were selling the product of the Puente refinery, were they not?—A. I don't know anything about that.

Q. Where is the Puente refinery?—A. At Chino.

Q. Didn't you get their oil shipped right to you from the Puente refinery?—A. I know nothing about the practical part of the business at all.

Q. What was your position there?—A. I was simply a salesman.

Q. You don't know where the oil came from?—A. No, I know nothing about it.

Q. Who was in charge of the station?—A. At that time I think it was Mr. E. S. Sullivan.

Q. Where is he now?—A. In San Francisco, I believe.

Q. Is he working for the Standard?—A. No, sir.

Q. During all that time Mr. Sullivan was in charge, you say?—A. Yes, sir.

Q. 1898 down to 1903?—A. Yes, sir.

13473 Q. And you were simply a salesman?—A. Simply a salesman.

Q. Traveling around the territory?—A. Traveling around the territory; yes, sir.

Q. You didn't find any Puente oil salesmen during that time, did you?—A. I think not, sir. In fact, I know not.

Q. In fact, didn't you know that the Standard was selling the product of the Puente refinery?—A. By hearsay only, sir.

Q. That is it. Now you have been testifying to hearsay. Give us your hearsay about that.—A. Well, that is all it is—hearsay.

Q. Whom did you get it from—Mr. Sullivan?—A. No; I did not get it from Mr. Sullivan.

Q. From whom?—A. I heard it on the outside, and I may have heard it in the office. I did not get any official statement from Mr. Sullivan.

Q. In fact, you understood that the Standard sold the product of the Puente refinery from 1898 to March 1, 1904, didn't you?—A. I think between those dates. I would not swear about the dates, but that is about it.

Q. You must have been selling some of that oil, then?—A. If they made any oil. I don't know whether they made any oil. They may have sold some distillates.

Q. They made refined oil, didn't they?

Mr. ROSENTHAL. He says he doesn't know.

A. I don't know, sir.

13474 Q. Haven't you ever been at their refinery?—A. I have never been at their refinery; no, sir.

Q. It appears by the contract admitted in evidence here that it provided for the purchase of refined oil by the Standard of Iowa—the first contract not to exceed 600,000 gallons per year, at the rate of

50,000 gallons per month; and then there were some subsequent contracts. Did you hear about those?—A. I know nothing about it, sir. I had a subordinate position.

Q. You did hear around the office, did you, that the Standard was selling the refined oil product of the Puente refinery?—A. Yes, sir; I did.

Q. And you didn't know of any Puente salesmen in the district?—A. No.

Q. Where was this oil shipped—to local stations? Where did you get your oil—shipped to local stations?—A. The goods that I sold were shipped from Los Angeles principally.

Q. Shipped from Los Angeles?—A. Yes, mostly.

Q. In tank cars mostly?—A. No. I sold the retail trade in iron barrels and cases.

Q. Didn't these iron barrels and cases, many of them, come directly from the Puente refinery?—A. I don't know anything about it, sir.

Q. You do remember of the Puente refinery starting in business again, do you, selling oil on its own account?—A. Yes.

Q. About March 1, 1904?—A. I do not know the exact
13475 date. It was around March.

Q. You met the salesmen then, didn't you?—A. Yes, sir.

Q. Is not that the time that the cut in prices commenced in Los Angeles—say the last of February and the first of March, 1904?—A. If that is when the Puente started business again, that is when the cutting began.

Q. Prior to that time there had not been any cutting to amount to anything, had there?—A. Not from the Puente during those years that they were not still in business.

Q. There had not been any cutting at all, had there? The Standard had maintained about the same price right along, hadn't it?—A. I do not know how the prices ranged.

Q. Isn't it a fact that in Los Angeles during the years 1901, 1902, and 1903, the price of the Standard was from 10½ to 11 cents and 12 all the time down to about March——

Mr. ROSENTHAL. It ranged from 12 to 10.

Mr. KELLOGG. Yes; from 12 to 10.

Mr. ROSENTHAL. In 1902 and 1903.

Mr. KELLOGG. In 1901, 1902, and 1903, here.

Mr. ROSENTHAL. In 1901, and I have 1902 and 1903 it ranged from 12 to 10.

Mr. KELLOGG. Yes; that is correct.

Q. Isn't it a fact that the Standard's price during all those years (1901, 1902, and 1903) ranged from 12 to 10 cents?—A. If my memory serves me right about that: but I do not remember the exact prices.

Q. And the real cutting of prices commenced about March,
13476 1904, didn't it?—A. I could not swear to the exact date, sir.

Q. The last of February or the first of March, wasn't it?—A. It started out when the Puente started putting out goods again.

Q. That is it exactly. When the Puente went back into business and the Standard ceased buying its products, then the cutting commenced?—A. Then the Puente cut; yes, sir.

Q. You say the Puente cut. How do you know it did? You were not working for the Puente, were you, at that time?

Mr. ROSENTHAL. He worked for the Puente from March 1 to September, didn't he?

Mr. KELLOGG. No; he worked for the Southern at that time.

WITNESS. For the Southern; yes.

Q. That is the time the cutting commenced—about March 1, 1904. At that time you were working for the Southern, weren't you?—A. About what time? What month?

Q. About March 1, 1904.—A. Yes, sir; about March 1, 1904.

Q. That is the time the cutting commenced. How do you know that the Standard did not start the cutting against the Puente?—A. I never ran against any of their cut prices.

Q. Oh! You ran against your own?—A. I cut the price.

Q. How does it happen that the cutting did not commence until the Puente went back into business, March 1, 1904?—A. All cutting of prices I know was only when I ran against them.

Q. And that was after March 1, 1904?—A. Yes.

Mr. ROSENTHAL. He has not so testified, but quite the con-
13477 trary. He has testified that the Southern cut during all the preceding years.

Mr. ROSENTHAL. When the three of them got to going the cutting became more rapid.

Q. After March 1 the prices rapidly declined, didn't they?—A. They declined. I don't know how rapidly.

Q. How low did you sell oil?—A. I don't remember the exact price, sir.

Q. Can you give us any idea?—A. Not the faintest.

Q. How long have you been looking this matter up?—A. I haven't looked it up at all; I am just speaking from memory.

Q. You came clear from California here to testify, didn't you?—A. Yes, sir.

Mr. ROSENTHAL. You mean you haven't looked up the prices?

WITNESS. I haven't anything to look it up with; I haven't any memorandum of my own.

Q. You came clear from California to testify, didn't you?—A. Yes, sir.

Q. You are now working for the Standard?—A. Yes, sir.

Q. They have got the record of prices, haven't they?—A. The regular prices?

Q. Yes.—A. Yes, sir.

Mr. ROSENTHAL. I showed them to you, Mr. Kellogg. We gave them to you and you have them in this case.

Mr. KELLOGG. Certainly I have. I want to see what this witness knows about it.

Q. Didn't you look up the record of prices at all?—A. I am
13478 only selling lubricating oil now, and have been for the past two years. I have nothing to do with the refined oil department now at all, and haven't had for two years.

Q. There was a pretty fierce fight there after the Puente went back into business, wasn't there?—A. Yes, sir.

Q. And you stayed with the Southern during the months from March to September, 1904?—A. Yes, sir.

Q. Then what did you do?—A. I looked after my private business.

Q. You went out of the oil business?—A. I went out of the oil business; yes, sir.

Q. You say the Southern Oil Company's principal business was making asphalt?—A. Yes, sir.

Q. But it has been making and selling refined oil for years?—A. Yes, sir.

Q. You say its oil is not as good as the Standard's?—A. No, sir.

Q. How do you know?—A. The customers refused to buy it.

Q. It wasn't worth as much as the Standard's?—A. It wasn't worth as much.

Q. Then there was a reason why you should sell it cheaper, wasn't there?—A. We couldn't have sold it any way if we didn't sell it cheaper, even if it had been good oil.

Q. The Puente people made good oil, didn't they?—A. Not as good as the Standard's.

Q. How do you know?—A. It wasn't as good. The customers would only buy for a certain length of time and come back to us; not always; in some cases.

13479 Q. You don't know that wasn't on account of the price, do you?—A. I have seen tests made, and I have made tests myself.

Q. If it wasn't a good oil why was the Standard selling it for years?

Mr. ROSENTHAL. That is not a fair question, because the testimony in this case already shows that it took the Puente oil and mixed it with its own oils before it put it on the market.

Mr. KELLOGG. I think that that was the Union.

Mr. ROSENTHAL. No; that testimony of Mr. Tilford went as to all other California oils purchased.

Mr. KELLOGG. I think Mr. Tilford is mistaken if he did testify to that. My recollection is it was the Union.

Mr. ROSENTHAL. But this man doesn't know anything about how the oil was prepared.

Q. Now, did you attend to the collection of the bills?—A. No, sir.

Q. Who did?—A. Done from the office.

Q. You don't know what rebates the office may have paid, do you?—A. Absolutely not, sir.

Q. You don't know anything about that?—A. I don't know an thing about that.

Q. And you haven't any idea how low prices did go in 1904?— No; not the exact figures.

Q. Then you commenced with the Puente, after being out of bu ness a while, about April 1, 1906?—A. About that; yes, sir.

Q. And sold oil for them till August, 1906?—A. Yes, sir.

Q. Do you know what the prices were during that time?—A. I not remember the prices.

13480 Q. You don't recollect?—A. No.

Q. Does the Puente company purport to sell Water Whi oil?—A. I don't know whether they use that expression or not.

Q. They don't, do they?—A. I have always called it bulk oil.

Q. Bulk oil; yes.—A. Bulk.

Q. Hasn't the Standard a lower grade of oil in California th Water White, which they sell there?—A. Not that I know of, sir.

Q. You don't know?—A. No, sir.

Q. During 1906, from April to August, were you cutting pric for the Puente, did you say?—A. While I worked for the Puente!

Q. Yes.—A. Yes, sir.

Q. Now, how do you know what prices the Standard was selli at?—A. I have seen their price lists and also information from th books.

Q. You have seen their prices, yes; but how do you know th were keeping those prices?—A. Because if I cut the price the c tomer would buy from me. I heard of no lower price. I ran agai no lower price.

Q. How much did you cut the price from April to August?—A. cut it at all times at least a cent.

Mr. ROSENTHAL. That is, while you were with the Puente?

A. While with the Puente; yes, sir.

Q. That is, you cut the price that the customer told you he w getting from the Standard?—A. That I was absolutely sure he w getting; yes, sir.

Q. You only had his say-so for it, did you?—A. I have seen voices.

13481 Q. You have seen invoices, but you don't know how Standard was settling with them on the side, do you?— Well, if I cut the price they bought from me.

Q. You don't know what rebates the Standard may have been p ing them?—A. I know nothing about rebates.

Q. You haven't any idea what price you were selling at duri that time?—A. I haven't the faintest. I don't remember.

Q. Were you in charge of the Puente's stations?—A. No, sir.

Q. You were just a traveling man?—A. Just a traveling man.

Q. Where did you travel?—A. Mostly in the immediate vicin of Los Angeles.

Q. Selling oil in drums?—A. In drums, barrels, and cases.

Q. Wasn't that the same kind of oil that you sold for the Standard part of the time when they were selling the Puente's output?—A. I know nothing of where that oil came from, sir. I know that it was furnished to me as having been made by them.

Q. You knew the Standard's Water White, didn't you?—A. I knew the Standard's Water White, yes.

Q. And when you were selling oil through those years for the Standard, when they were selling the output of the Puente's refinery, you knew the brand that the Puente was making, didn't you?—A. I knew nothing of the Standard's buying and selling the Puente oil at all, sir.

Q. Except what you were told?—A. Well, my hearsay always applied to distillates; I knew nothing about the oil.

13482 Q. Well, did the Standard meet your prices?—A. They would lower prices after quite a while, then I would cut again.

Q. I asked if they met your prices from time to time.—A. I think they came down to about the same; yes, sir.

(An adjournment was here taken until the morning of Monday, December 14, 1908, at 10.30 o'clock.)

13483 ROOM 508, CUSTOM HOUSE, NEW YORK CITY,
Monday, December 14, 1908—10.30 a. m.

By consent the hearing was continued until December 15, 1908, at 10.30 o'clock.

ROOM 508, CUSTOM HOUSE, NEW YORK CITY,
Tuesday, December 15, 1908—10.30 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferris, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg, Mr. Charles B. Morrison. On behalf of the defendants, Mr. John G. Milburn, Mr. Moritz Rosenthal, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. Douglas Campbell, Mr. W. Cleveland Runyon.

JOHN D. ARCHBOLD, recalled, testified as follows:

Direct examination by Mr. ROSENTHAL:

Q. Mr. Archbold, do you remember a man by the name of Herr Poth, who was a dealer at Mannheim, Germany?—A. I do.

Q. Prior to the time that he became the representative of the Pure Oil Company, about 1894 or thereabouts, had he been in anywise connected with or had any dealings with the D. A. P. G.?—A. He had. He had taken his supplies from the D. A. P. G., and they were largely dependent upon him for a market for their petroleum products in the districts in which he dealt.

Q. That is, for some years prior to the time that he became the representative of the Pure Oil Company he had been buying his products from the D. A. P. G.?—A. He had.

Q. The Pure Oil Company then took him away from the
13484 D. A. P. G. as a customer, and thereafter, for a year or more, he was the customer of the Pure Oil Company?—A. He was.

Q. And handled their products. Do you remember whether, after having sold the products of the Pure Oil Company for some time, he again sold the products of the D. A. P. G.?—A. He did. He made an overture to the D. A. P. G. looking toward a reestablishment of his relations with them, and it resulted in a trade which made him again the customer of the D. A. P. G.

Q. That was about when?—A. Well, I should say about 1894.

Q. About 1895.—A. 1895, perhaps, sir; yes. 1895.

Q. And the D. A. P. G. is the Deutsche-Amerikanische Petroleum Gesellschaft, a German organization, the stock of which, or some of the stock of which, as appears in this record, is owned by the Standard Oil Company?—A. It is; and they are the marketing agents for the Standard Oil interests in the German territory.

Q. It appears, Mr. Archbold, from the exhibits which we put in evidence while you were on the stand, that the total trunk-line mileage owned by the Standard Oil interests in 1882 was 1,062 and a fraction miles, and on cross-examination you were interrogated by Mr. Kellogg concerning the question as to what portion of that 1,062 miles was constructed by the Standard Oil interests and what portion was purchased. Have you, since you were on the stand, ascertained and have you a memorandum showing those figures?—A. I have.

Q. And have you the memorandum in your possession?—A. I have the memorandum; yes.

13485 Mr. KELLOGG. You are speaking of trunk pipe lines?

Mr. ROSENTHAL. Yes, the trunk pipe lines.

Q. Of the 1,062 and a fraction miles how many miles had theretofore been constructed by Standard Oil interests?—A. 1,014.

Q. And how many miles purchased?—A. 48.

Q. And the 48 miles of trunk line purchased was what line?—A. Was the Columbia Conduit Company.

Q. Which was purchased in 1877?—A. Yes, sir.

Q. That trunk line mileage at that time consisted of what, do you remember?—A. Yes. It consisted of the lines that were under process of construction; trunk lines that were under process of construction toward New York, Philadelphia and Cleveland.

Q. The lines under process of construction to seaboard, except the Cleveland line?—A. Except the Cleveland line.

Q. You were also asked concerning the Holdship & Irwin, or Reighard line. Have you ascertained what that line was?—A. I have.

Q. What was it?—A. It was a local line built in the Butler section leading to the railroad for transit to Pittsburg, consisting of 15 or 20 miles of 2-inch pipe.

Q. A gathering line?—A. A small gathering line.

Q. And you were also asked concerning the Western Atlantic Pipe Line and the Craig-Elkins line. Have you ascertained whether the Western Atlantic purchased the Craig line?—A. I have.

Q. Did it do so?—A. It did.

13486 Q. After the Western Atlantic had purchased the Craig line, what was the total mileage of the Western Atlantic?—A. It consisted of a total of something less than 300 miles of 2 and 3-inch line.

Q. Gathering system?—A. Gathering system.

Q. Have you caused to be compiled from the United States Geological Survey showing the production of petroleum in 1904, the shipments of Russian illuminating oil from Baku, from the years 1880 to 1893, both inclusive?—A. I have.

Q. Have you also caused to be compiled, from records in the possession of the Standard Oil Company partially, in response to the request made by the Government, the stocks of crude oil in the United States for the years 1892 to 1895, both inclusive?—A. I have.

(Paper marked "Defendants' Exhibit 305" and handed to the witness.)

Q. Is that accurately shown in defendants' Exhibit 305?—A. I believe it to be.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 305.

Mr. KELLOGG. That is taken from the Geological Survey, as I understand?

Mr. ROSENTHAL. All excepting these figures [indicating], which are taken from our records. I will give you this exhibit in a minute.

Q. So that it may be in the body of the record, will you give the Russian supply from 1880 to 1893, taking the first figure (1880) in full, and taking the other figures in their round numbers?—

13487 A. These are in barrels of 42 gallons: 1880, 976,933; 1881, 1,564,000; 1882, 1,650,000; 1883, 1,833,000; 1884, 2,689,000; 1885, 3,666,000; 1886, 4,278,000; 1887, 3,378,000; 1888, 6,111,000; 1889, 7,469,000; 1890, 8,227,000; 1891, 9,046,000; 1892, 9,608,000; 1893, 10,500,000.

Q. That is refined oil, not crude oil, is it not?—A. Refined oil.

Q. That was Russian oil shipped from the Russian fields to the European markets?—A. Yes, sir.

Q. Will you give us the figures of the stocks of crude oil in the United States from 1892 to 1895, inclusive, in round numbers?—A. 1892, 37,400,000; 1893, 35,900,000; 1894, 30,600,000; 1895, 26,400,000.

Q. So that while the supply of Russian refined oil to European markets was steadily increasing during that period the supply of oil in stock in this country was steadily decreasing, was it not?—A. It was.

Q. What relation, if any, has the stock of oil in storage in the various fields to the movement of the oil through the pipes of the pipe system?—A. The reserve stock of oil in the oil fields is essen-

tial to the steady operation of the pipe lines. They could not be dependent on the gathering of the oil from the wells day
13488 by day for their steady supply of oil for pumping through the trunk lines.

Q. Do you mean a steady, uniform supply?—A. A steady, uniform supply. The reserve stock is used for that purpose.

Q. Has that any relation to the continuous and continued operation of the pipe system in so far as the movement of oil is concerned?—A. I should say it was essential to it.

Q. That is, the storage of oil throughout the different fields?—A. The storage of the oil and the holding of a reserve stock.

Q. It appears from the records already in evidence in this case, that Standard Oil interests have owned the stock or a portion of the stock of the Waters-Pierce Oil Company from about 1878 practically continuously to the present time, with the exception, I think, of a few months. During all of those years, with the exception of a few months, who has directed and controlled the actual operation of the business of that company?—A. H. C. Pierce and his immediate family relations.

Q. He and his immediate family relations have been the men who have been in charge of the detailed and active operation of that business, have they?—A. Yes; of its direction. His brother-in-law, son, and other relatives.

Q. You were requested, among other things, to produce the books or records showing in whose name stood the stocks of the various companies which by the agreement of 1879 were turned over to Vilas, Keith & Chester as trustees for the stockholders of the Standard Oil Company of Ohio, and you were asked to produce the stock books showing those facts. Have you caused a
13489 search to be made for those stock books with a view of furnishing the Government with such information requested?—A. I have.

Q. And have you found many of them and caused the information to be compiled from those books?—A. I have.

Q. And those books that you have found are accessible?—A. They are.

Mr. ROSENTHAL. I wish to say, Mr. Kellogg, that in so far as we have been able to find those stock books we have compiled the information requested from the stock books, but the stock books, if you wish them, are accessible to you and any person you may designate who may wish to examine them.

Mr. KELLOGG. That is entirely satisfactory.

Q. In addition to such examination of the stock books of these companies, have you also been able to obtain, in many cases, the original articles of incorporation of those companies that were incorporated by Standard Oil interests as heretofore testified by you?—A. I have.

Q. Or, rather, certified copies of such articles of incorporation?—A. Either the original articles or certified copies.

Q. I direct your attention, first, to the Acme Oil Company of New York. Have you caused to be compiled from the stock books of that company all of the information showing the original stockholders and the various transfers of stock, from the date of the organization of that company (October 29, 1875) down to May 20, 1882?—A. I have.

(Paper marked "Defendants' Exhibit 306.")

Q. And is that correctly shown in defendants' Exhibit
13490 306?—A. I believe it to be.

Q. The original stockholders of the Acme Oil Company of New York at the date of its organization (October 29, 1875) were: John D. Archbold, holding 375 shares; A. P. Bennett, 375; William Rockefeller, 1,590; Charles Pratt & Company, 330; Warden, Frew & Company, 330. Which of the persons named at that time held stock for Standard Oil interests?—A. William Rockefeller, Charles Pratt & Company, and Warden, Frew & Company.

Q. And you show upon this statement, from time to time, the various stock transfers thereafter made, showing that ultimately (May 20, 1882) 2,975 of the 3,000 shares went to the Standard Oil trustees?—A. Yes, sir.

Q. And the following gentlemen, namely, John D. Archbold, William Rockefeller, Frank Q. Barstow, Charles Pratt, and William G. Warden, each held five shares. Were those qualifying shares?—A. Those are qualifying shares.

Q. And each of those gentlemen whom I have so named was identified, was he not, with the Standard Oil interests, and in the holding of such stock represented Standard Oil interests?—A. They were at that time.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 306. I also offer in evidence a certified copy of the articles of incorporation of the Acme Oil Company of New York, and ask that the same be marked "Defendants' Exhibit 307."

(The copy was so marked.)

Q. You were not able to find, as I understand it, the stock
13491 books of the Acme Oil Company of Pennsylvania?—A. I was not.

Mr. ROSENTHAL. Hence we have no statement, compiled with respect to these stockholders, from the stock books. But I offer in evidence, and ask to have it marked as "Defendants' Exhibit 308," a certified copy of the articles of incorporation of the Acme Oil Company of Pennsylvania.

Q. I find, Mr. Archbold, the following parties named as the stockholders of the Acme Oil Company of Pennsylvania in the articles of incorporation, as shown by defendants' Exhibit 308, in the holding 400 shares; William G. Warden, Philadelphia, 1,000 shares; Henry L. Davis, 400 shares; Duncan McIntosh, 200 shares; making all together 3,000 shares of stock of the Acme Oil Company of Pennsylvania. Were all five of those stockholders named in the articles of

incorporation, as shown by defendants' Exhibit 308, in the holding of the stock therein indicated, representing Standard Oil interests?—A. They were.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 308.

We are continuing our search, Mr. Kellogg, for these additional stock books which are missing, and if we should find them we will give them to you at some time before the case closes on your side.

Mr. KELLOGG. That will be entirely satisfactory.

Mr. ROSENTHAL. And the same with respect to any additional certificates of incorporation that we may be able to find.

13492 I offer in evidence a certified copy of the articles of incorporation of the Camden Consolidated Oil Company. I find named in such articles of incorporation (which are under date of May 21, 1875) Johnson M. Camden, holding 1,334 shares; William P. Thompson, 1,332; William N. Chancellor, 1,332; and Lucius A. Cole, 1 share; also, Bernard G. Wilson, 1 share.

Q. That company, I think you have heretofore testified, was organized by Standard Oil interests for the purpose of taking over and purchasing certain properties at Parkersburg, West Virginia?—A. It was.

Q. Did these gentlemen whose names I have read (the shares of which I have indicated, and who appear in the articles of incorporation as subscribing for such shares) represent Standard Oil interests in that connection?—A. They did.

Mr. ROSENTHAL. I offer in evidence a certified copy of the articles of incorporation of the Camden Consolidated Oil Company, and ask that they be marked "Defendants' Exhibit 309."

(The copy was so marked.)

Mr. ROSENTHAL. We have not yet found the stock books of the Camden, but we are continuing our search for them.

Mr. KELLOGG. All right.

Mr. ROSENTHAL. I will offer in evidence a certified copy of the articles of incorporation of the Elizabethport Acid Works, and ask that it be marked "Defendants' Exhibit 310."

(The copy was so marked.)

Q. I find that the subscribers to the original capital stock of the Elizabethport Acid Works, named in the articles of

13493 incorporation are George Kimmel (35 shares), Ferdinand H. Eggers (35 shares), Ambrose M. McGregor (70 shares), James H. Alexander (70 shares), and Joel F. Freeman (70 shares). Which of those men at the time of the organization of the Elizabethport Acid Works represented Standard Oil interests in the stock subscription?—A. McGregor, Alexander, and Freeman.

Q. And Kimmel and Eggers——A. Were then minority stockholders.

Q. ——were then minority stockholders, whose stock, as already appears in evidence, was, some time prior to 1882, acquired by Standard Oil interests?—A. Yes, sir.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 310.

By Mr. KELLOGG:

Q. Were McGregor and Alexander and Freeman stockholders in the Standard Oil Company?—A. Well, they were stockholders at that time. They were in the employ—they were connected with the Standard Oil interests.

Q. Where were they in the employ?—A. Freeman was here; Alexander, I think, was here at that time, and McGregor, I think, was here at that time also.

Q. In the employ of the Elizabethport Acid Works?—A. No, no.

Q. But they were not stockholders of the Standard Oil?—A. I rather think they were all stockholders.

Q. They would appear to be here in the list.

13494 Mr. ROSENTHAL. I think they were at that time.

WITNESS. They were later, certainly. What is the date of that?

By Mr. ROSENTHAL:

Q. Well, at all events, they were employes of the Standard Oil interests?—A. Oh, yes.

Q. And subscribed to that stock——A. On its behalf.

Q. As the representatives of and in behalf of the Standard Oil interests?—A. In behalf of the Standard Oil interests; yes, sir.

By Mr. KELLOGG:

Q. What was their position and what company were they employed in?—A. Well, McGregor was connected with the manufacturing department.

Q. Of what company?—A. I think for the Standard Oil Company of New Jersey at that time.

Mr. ROSENTHAL. What date is that?

WITNESS. What date is that on?

Mr. KELLOGG. That is 1879.

Q. The Standard Oil of New Jersey wasn't in existence at that time?—A. In 1879 I think he was with the Standard Oil Company of Ohio. Freeman was here in New York, and Alexander, I think, was at that time superintendent of the Bayonne works.

Q. Well, at that time it didn't belong to the Standard.

Mr. ROSENTHAL. Oh, yes; it did.

Q. And Freeman?—A. Freeman was in the office here in New York.

Q. They don't appear to have been stockholders of the

13495 Standard Oil Company in 1882.

Mr. ROSENTHAL. Not of the Standard Oil Company of Ohio; I think not.

WITNESS. They were all stockholders later.

Mr. KELLOGG. They might have been later, but they weren't then.

WITNESS. They were employees.

(Paper marked "Defendants' Exhibit 311.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 311, the same being compiled from the stock books of The Atlantic Refining

Company. That shows that the company was organized April 29, 1870, with a capital stock of 4,000 shares of $100 each.

By Mr. ROSENTHAL:

Q. On May 1, 1875, Mr. Archbold, it appears that H. M. Flagler held in trust 250 shares; Lockhart, Frew & Company, 500 shares; Warden, Frew & Company, 1,895 shares, and a number of other persons held shares in varying quantities, the total of which was 3,995 shares; and that on May 12, 1875, as shown by the stock books of said company, H. M. Flagler in trust held all of the 3,995 shares. The H. M. Flagler there named is the Henry M. Flagler who was then secretary of the Standard Oil Company of Ohio, is he not?—A. He is.

Q. And that stock was so held in trust by him for the stockholders of the Standard Oil Company of Ohio?—A. It was.

Mr. ROSENTHAL. On Bush & Company, named in the first paragraph of the trust agreement of 1882, we have not as yet been able to find the stock book.

13496 Mr. ROSENTHAL. I offer in evidence a certified copy of the articles of incorporation of the Imperial Refining Company (Limited), and ask that it be marked "Defendants' Exhibit 312."

(The paper was so marked.)

Q. It appears therefrom, Mr. Archbold, that the Imperial Refining Company (Limited) was a Pennsylvania association, or a corporation organized in 1878 with the following persons subscribing to the stock thereof: Jacob J. Vandergrift, John D. Archbold, Ambrose M. McGregor, Frank Q. Barstow, and Duncan McIntosh. Who were those five men, so far as their connections with or relations to Standard Oil interests or Standard Oil companies are concerned?—A. They were all acting with the Standard Oil companies in the interests of the Standard Oil stockholders.

Q. In subscribing for the stock?—A. In subscribing for the stock.

Q. Of the Imperial Refining Company (Limited)?

Mr. KELLOGG. What was Frank Q. Barstow's position?

WITNESS. I think Mr. Barstow at that time was at Titusville with the Acme Oil Company.

Mr. KELLOGG. And Mr. McIntosh?

WITNESS. Mr. McIntosh was employed with the Imperial.

Mr. KELLOGG. Oh, he was with the Imperial?

WITNESS. He was with the Imperial.

(Paper marked "Defendants' Exhibit 313.")

Mr ROSENTHAL. I offer in evidence defendants' Exhibit 313, showing the stockholders of Charles Pratt & Company at the time of the acquisition and the purchase of Charles Pratt & Company by the Standard Oil interests in 1875.

13497 Q. It appears therefrom, Mr. Archbold, that on March 31, 1875, H. M. Flagler, secretary and trustee, held 4,997 shares; Charles Pratt, 1 share; Henry H. Rogers, 1 share; and Horace A. Pratt, 1 share of the stock of that company, making a total of 5,000

shares. Were all of those men whose names I have just read at that time identified with the Standard Oil interests and representing Standard Oil interests?—A. They were.

Q. That is to say, Mr. Charles Pratt, Mr. Henry H. Rogers, and Mr. Horace A. Pratt had theretofore been the owners of Charles Pratt & Company, and from that time on they became identified with Standard Oil interests?—A. That is correct.

Q. And Mr. Flagler had theretofore been secretary of the Standard Oil Company of Ohio?—A. He had.

Mr. KELLOGG. Who was Mr. Flagler trustee for?

WITNESS. Standard Oil interests.

Mr. KELLOGG. For the stockholders of the Standard Oil Company?

WITNESS. For the stockholders of the Standard Oil Company.

(Papers marked "Defendants' Exhibits 314 and 314–A.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits 314 and 314–A, the same being a transcript from the stock books of Paine, Ablett & Company and a certified copy of the articles of incorporation of that company.

Q. That company appears to have been organized in October, 1878, the stockholders then being Silas H. Paine, Job Ablett, and William Ablett. Mr. Silas H. Paine holding 245 shares; Job Ablett, 245; and William Ablett, 10 shares. By February 28, 1879, the stock
13498 appears to have been held as follows: Silas H. Paine, 5 shares; Job Ablett, 5 shares; Ambrose M. McGregory, 240 shares; Frank Q. Barstow, 240 shares; Duncan McIntosh, 10 shares. Who were the five last named, so far as their relations or connections with Standard Oil interests at that time were concerned?—A. They were all acting for Standard Oil interests at that time.

Q. And held that stock for Standard Oil interests, did they?—A. Yes.

Q. I mean by that, of course, for the benefit of the stockholders of the Standard Oil Company of Ohio.—A. That is what I mean.

(Paper marked "Defendants' Exhibit 315.")

Q. You have already told us who H. M. Flagler was. He appears to have held all but five shares of the stock of the Standard Oil Company of Pittsburg, after April 10, 1875; Charles Lockhart, William G. Warden, William Frew, M. Graver, and D. Bushnell, each of them holding one share of stock at that same time. Who were Lockhart, Warden, Frew, Graver, and Bushnell? Were they representing, in the holding of those five shares of stock, the same Standard Oil interests that you have heretofore spoken of?—A. They were.

Q. And Mr. Flagler also?—A. And Mr. Flagler.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 315.

(Paper marked "Defendants' Exhibit 316.")

Q. Were Graver and Bushnell employees of some of the Standard Oil interests?—A. Bushnell was, and I am very sure that Graver was. I don't remember him so distinctly.

13499 Mr. KELLOGG. Which company?

WITNESS. The Standard Oil Company of Pittsburg.

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 316, being a transcript of the stock books of the Smith's Ferry Oil Transportation Company, showing the various transfers of stock.

Q. It appears from this exhibit that Paine, Ablett & Company originally held all of the 200 shares of stock of the Smith's Ferry Oil Transportation Company and that that ultimately went to Vilas, Keith & Chester and the trustees of the Standard Oil trust. You got the stock of the Smith's Ferry Oil Transportation Company in connection with the purchase of Paine, Ablett & Company, did you not?—A. We did.

Mr. ROSENTHAL. The Solar Oil Company, which is the next company named, we have been unable as yet to find the stock books.

(Paper marked "Defendants' Exhibit 317.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 317, being a transcript of the stock books of Sone & Fleming Manufacturing Company, Limited.

Q. The Sone & Fleming Manufacturing Company, Limited, was acquired by Standard Oil interests in connection with the purchase of the Empire properties in 1877, Mr. Archbold—I think that has been heretofore testified to—was it not?—A. It was.

Q. And it appears from the stock books of that company that on October 18, 1877, Mr. H. M. Flagler, as trustee, held 2,475 shares, and Mr. Spelman, Mr. Freeman, Mr. Andrews, Mr. Rockefeller,
13500 and Mr. L. V. Sone each held five shares, making a total of 2,500 shares. Was all of that stock so held by those men held for the benefit of the stockholders of the Standard Oil Company of Ohio?—A. It was.

Mr. ROSENTHAL. This exhibit shows the various transfers thereafter made to Vilas, Keith & Chester and to the trustees of the Standard Oil trust.

Mr. ROSENTHAL. The first company named in the third paragraph of the trust agreement of 1882 is the American Lubricating Oil Company. As yet we have not been able to find the stock books of that company, but I offer in evidence a certified copy of the articles of incorporation of the American Lubricating Oil Company and ask that it be marked "Defendants' Exhibit 318."

(The paper was so marked.)

Q. It appears from the articles of incorporation that the subscribers to the original capital stock were Peter S. Jannings (225 shares), A. M. McGregor (5 shares), George I. Vail (5 shares), L. H. Severance (5 shares), and Oliver H. Payne (760 shares); and it appears from the exhibit that we have heretofore put in evidence that Standard Oil interests at the time of the organization of this company held 775 shares and the minority interests held 225 shares. Now, of those persons named, which one represented that minority interest? Was it Mr. Peter S. Jennings, holding 225 shares?—A. Mr. Jennings.

Q. And all of the other persons named, did they hold their stock for Standard Oil interests?—A. They did.

Q. And did they subscribe for and hold their stock for Standard Oil interests?—A. They did.

13501 Q. The Oliver H. Payne there named was the Oliver H. Payne who became identified with Standard Oil interests as early as 1871, was he not?—A. He was.

Q. And the same Oliver H. Payne who is a party defendant to this bill?—A. He is.

(Papers marked "Defendants' Exhibits 319 and 319-A.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits 319 and 319-A, the same being a transcript from the stock books of the Baltimore United Oil Company and a certified copy of the articles of incorporation.

Q. It appears therefrom, Mr. Archbold, that the Baltimore United Oil Company was organized in 1877; that Johnson N. Camden held, as trustee, 5,059 shares of the 6,000 shares of the stock of that company, and that the other stock was held by four other individuals whose names appear here. For whom was Johnson N. Camden acting as trustee in the holding of that stock?—A. In the interest of the Standard Oil shareholders.

Q. And he had subscribed to the stock as a representative of the Standard Oil interests?—A. He had.

Mr. ROSENTHAL. Now, the next is Beacon Oil Company. The Beacon Oil Company we have not yet found the stock books; but I offer in evidence a certified copy of the articles of incorporation of the Beacon Oil Company (the same being a Massachusetts corporation), and ask that it be marked "Defendants' Exhibit 320."

Q. I find that the subscribers to the capital stock of that company, when organized, were Benjamin Vaughan, George F. Chester, John D. Archbold, Fred Mohr, jr., and A. A. Vaughan. Of those

13502 original subscribers to the capital stock of that company which of them represented the Standard Oil interests?—A. All except the Messrs. Vaughan.

Q. That is, George F. Chester, John D. Archbold, and Fred Mohr, jr., were representing Standard Oil interests and subscribed for the stock as such representatives?—A. They did.

(Paper marked "Defendants' Exhibit 321.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 321, the same being a transcript of the stock book of the Bush & Denslow Manufacturing Company.

Q. It appears therefrom that that company was organized March 31, 1879, with a capital stock of $300,000, and that on June 17, 1880, William Rockefeller and John D. Archbold held 1,500 shares. Whom did you and Mr. Rockefeller represent in that holding?—A. The Standard Oil interests.

(Paper marked "Defendants' Exhibit 322.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 322, the same being a transcript of the stock books of the Central Refining Company of Pittsburg.

Q. It appears therefrom, Mr. Archbold, that in October, 1876, among the stockholders of that company were William Warden, trustee; Charles Lockhart, trustee; William Frew, and D. Bushnell. Whom did those men represent as such stockholders holding the stock that it appears from this exhibit they then held?—A. The Standard Oil shareholders.

(Paper marked "Defendants' Exhibit 323.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 323, the same being a transcript of the stock bonds of the Chesebrough

13503 Manufacturing Company.

Q. It appears therefrom, Mr. Archbold, that in the year 1881, beginning with the month of April, Charles Pratt & Company, John D. Archbold, and S. C. Lewis, Ambrose McGregor, and Henry H. Rogers held stock in varying amounts. For whom did Charles Pratt & Company and those other gentlemen whom I have named hold such stock?—A. For the Standard Oil shareholders.

(Papers marked "Defendants' Exhibits 324 and 324–A.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits 324 and 324–A, the same being a transcript of the stock books of Chess-Carley Company and a certified copy of the articles of incorporation of that company.

(Papers marked "Defendants' Exhibits 325 and 325–A."

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits 325 and 325–A, the same being a transcript of the stock books of the Consolidated Tank Line Company and a certified copy of the articles of incorporation of that company.

Q. It appears therefrom that of the original issue of stock of that company among the stockholders were O. H. Payne, H. A. Hutchins, George H. Vilas, F. D. Carley, Alexander McDonald, and James McDonald. Of those persons named did Mr. Payne, Mr. Hutchins, and Mr. Vilas subscribe for the stock and hold the stock that they held for the benefit of the Standard Oil interests heretofore named?—A. They did.

Q. Making 300 shares of the 600 at that time.

Mr. ROSENTHAL. As to the Inland Oil Company we have been unable as yet to find the stock books.

13504 (Papers marked "Defendants' Exhibits 326 and 326–A.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits 326 and 326–A, the same being the transcript of the stock books of the Keystone Refining Company and a certified copy of the articles of incorporation of said company.

Q. It appears therefrom that on July 17, 1876, Thomas P. Chambers assigned 125 shares, Henry Y. Pickering 200 shares, and Samuel Comfort 200 shares of the stock originally subscribed by them to Charles Pratt and William Warden, and that later certain of those shares were assigned to John D. Archbold. In the holding of such stock so assigned whom did Charles Pratt, William Warden, and John D. Archbold represent?—A. The Standard Oil shareholders. It should be William G. Warden.

13505 Mr. ROSENTHAL. The Maverick Oil Company—we have not the stock books, but I offer in evidence a certified copy of the articles of incorporation of that company, and ask that it be marked "Defendants' Exhibit 327."

Q. It appears from the articles of incorporation of that company that the subscribers to the original capital stock were Charles M. Carter, C. Frederick Carter, John D. Archbold, and George F. Chester. In subscribing for that stock originally, at the time of the organization of the Maverick Oil Company, whom did John D. Archbold and George F. Chester represent?—A. Standard Oil shareholders.

Mr. ROSENTHAL. I offer in evidence a transcript of the stock books of the National Transit Company, showing the organization of that company to have been in the year 1881, and showing who the different stockholders were; and ask that it be marked "Defendants' Exhibit 328."

(The paper was so marked.)

Mr. ROSENTHAL. The Portland Kerosene Oil Company, next named in the third paragraph of the trust agreement—as yet we have been unable to find anything at all.

I offer in evidence a transcript of the stock books of the Producers Consolidated Land and Petroleum Company, and ask that it be marked "Defendants' Exhibit 329."

(The paper was so marked.)

Q. That shows that among other stockholders, as early as October, 1887, and November, 1887, were George F. Chester, Joel Freeman, Daniel O'Day. Whom did those three men represent in holding the stock that this exhibit shows they then held?—A. Standard Oil shareholders.

13506 (Papers marked "Defendants' Exhibits 330, 330–A, and 330–B.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits 330, 330–A, and 330–B, the same being a transcript of the stock books of the Signal Oil Works, Limited, and certified copies of the articles of incorporation and the amendments thereto.

Q. The original shareholders of the Signal Oil Works, Limited, appear to have been, among others, John D. Archbold, F. Q. Barstow, and D. McIntosh. Whom did those three men represent in their stock holding?—A. Standard Oil shareholders.

(Papers marked "Defendants' Exhibits 331, 331–A, and 331–B.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits 331, 331–A, and 331–B, the same being a transcript of the stock books of the Thompson & Bedford Company, Limited, and the articles of incorporation and amendments thereto.

Q. It appears therefrom that among the stockholders of that company, in August, 1880 (the company appearing to have been organized in August, 1880), were the following: Orville T. Waring, Ambrose M. McGregor, Thomas Brown, John D. Archbold, and Henry

H. Rogers. Whom did those men represent in holding such stock?—A. Standard Oil shareholders.

(Two papers were marked "Defendants' Exhibit 332.")

Mr. ROSENTHAL. I offer in evidence a transcript of the stock books of the Devoe Manufacturing Company (defendants' Exhibit 332).

Q. Whom did H. W. Flagler, in trust, represent?—A. Standard Oil shareholders.

Q. And, later on, whom did William Rockefeller, James McGee, and Paul Babcock, jr., represent in their holding of stock?—
13507 A. Standard Oil shareholders.

Q. Were James McGee and Paul Babcock, jr., employees of some one of the Standard Oil companies?—A. They were.

Mr. ROSENTHAL. The Eclipse Lubricating Oil Company, Limited—we have as yet been unable to find the stock book; but I offer in evidence certified copies of the articles of incorporation and ask that the same be marked "Defendants' Exhibit 333," and the amendment thereto as 333–A.

Q. Among the original subscribers to the capital stock of the Eclipse Lubricating Oil Company, Limited, I find John D. Archbold, Frank Q. Barstow, Ambrose M. McGregor, and Charles Pratt. In subscribing for their stock, whom did they represent?—A. Standard Oil shareholders.

(Paper marked "Defendants' Exhibit 334.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 344, the same being a transcript of the stock books of the Empire Refining Company, Limited. Whom did John D. Archbold and William Rockefeller represent in holding the 775 shares that they appear to have held out of the 1,000 shares of June 16, 1880?—A. Standard Oil shareholders.

Q. And later whom did Benjamin Brewster represent?—A. Standard Oil shareholders.

(Paper marked "Defendants' Exhibit 335.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 335, being a transcript of the stock books of the Franklin Pipe Company, Limited.

Q. I note among the stockholders of that company Mr. W. C. Owston, S. C. Lewis, D. McIntosh, and H. H. Rogers. For whom did they hold their stock?—A. Standard Oil shareholders.

Mr. ROSENTHAL. As yet we have been unable to find the stock books of the Galena Oil Works, Limited; but I offer in
13508 evidence a certified copy of the articles of incorporation of the Galena Oil Works, Limited, and ask that the same be marked "Defendants' Exhibit 336."

Q. Among the original subscribers to the capital stock of that company appear Frank Q. Barstow, John D. Archbold, J. J. Vandergrift, and D. McIntosh. Whom did they represent in subscribing for the stock which they obtained and thereafter held?—A. Standard Oil shareholders.

Mr. ROSENTHAL. The Galena Farm Oil Company, Limited—we have been unable to find the stock books as yet; but I offer in evidence a certified copy of the articles of incorporation and ask that they be marked "Defendants' Exhibit 337."

Q. Among the original incorporators appear Frank Quarles Barstow, John Dustin Archbold, Duncan McIntosh, and Jacob Jay Vandergrift. Whom did they represent?—A. Standard Oil shareholders.

Mr. ROSENTHAL. The Germania Mining Company—we have been unable to find anything. The Vacuum Oil Company—we haven't anything, either The books of the Vacuum Oil Company appear to have been destroyed by fire. H. C. Van Tine & Company—we have not the stock books, but I offer in evidence a certified copy of the articles of incorporation of H. C. Van Tine & Company, and ask that the same be marked "Defendants' Exhibit 338."

It appears from defendants' Exhibit 338 that among the original subscribers to the capital stock of Henry C. Van Tine & Co. were John D. Archbold and Frank Q. Barstow. Whom did they represent?—A. Standard Oil shareholders.

(Papers marked "Defendants' Exhibits 339 and 339-A.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibits
13509 339 and 339-A, the same being a transcript from the stock books of the Waters-Pierce Oil Company and a certified copy of the articles of incorporation of that company.

Q. It appears therefrom that among the original subscribers to the capital stock of that company were Horace A. Hutchins and Chess, Carley & Company. Whom did they represent in their subscriptions and in their stock holdings?—A. Mr. Hutchins represented the Standard Oil shareholders.

Q. And I think "Chess, Carley & Company" in connection with the Chess, Carley & Company exhibit explains itself.—A. Yes.

(Paper marked "Defendants' Exhibit 340.")

Mr. ROSENTHAL. I offer in evidence defendants' Exhibit 340, being a transcript of the stock books of the Model Refining Company.

Q. It appears therefrom that subsequent to October 15, 1874, at different times all of the stock of that company was owned by William G. Warden, Joseph L. Warden, Michael Graver, Daniel Bushnell, H. M. Flagler, trustee, Charles Lockhart, William Frew. Whom did all of these gentlemen so named represent at the time they held their respective shares of stock as indicated in this exhibit?—A. Standard Oil shareholders.

(Papers marked "Defendants' Exhibits 341 and 341-A.")

Mr. ROSENTHAL. There also appears named in the Vilas, Keith & Chester agreement the United Pipe Lines Company.

I offer in evidence defendants' Exhibits 341 and 341-A, the same being a transcript of the stock books of that company
13510 and a certified copy of the articles of incorporation.

Q. It appears therefrom that of the original issue of stock of that company there was issued to J. J. Vandergrift, trustee,

11,664 shares. Am I right, Mr. Archbold, in my recollection, that of that 11,664 shares which Mr. Vandergrift so held as trustee, he held it as trustee for the old firm of Vandergrift & Forman, a copartnership, known as the United Pipe Lines, and that of those 11,664 shares one-third had been theretofore acquired by Standard Oil interests?—A. You are right.

Q. It already appears, from the testimony of Mr. John D. Rockefeller, that as early as 1874 the Standard Oil interests had purchased one-third of the interests of the United Pipe Lines, then held by the old firm of Vandergrift & Forman, and this 11,664 shares represented the interest of that firm.—A. I so understand it.

Q. In addition to J. J. Vandergrift as trustee, there appear, among the original subscribers of the capital stock, Daniel O'Day and H. M. Flagler. Whom did they represent in connection with their stock subscription and stock holding?—A. Standard Oil shareholders.

Mr. ROSENTHAL. I offer in evidence a transcript of the stock books of the Long Island Refining Company, mentioned in the Vilas, Keith & Chester agreement, and ask that the same be marked "Defendants' Exhibit 342."

(The paper was so marked.)

Q. Of the stockholders of that company appear the following names, to wit: William Rockefeller, J. A. Bostwick, J. D.
13511 Rockefeller, Geo. W. Girty, Henry M. Flagler, in trust. Did those men in holding that stock represent Standard Oil interests?—A. They did.

(The witness was withdrawn for the present.)

Mr. ROSENTHAL. Defendants ask leave to withdraw defendants' Exhibit 129 and to substitute therefor defendants' Exhibit 129 as corrected. Take your time to check it up, and we can fix it up when we meet after the present adjournment, if there should be anything wrong.

(Counsel for the Government later objected to the withdrawal of defendants' Exhibit 129. Defendants' Exhibit 129 corrected appears with defendants' Exhibit 129 in the volume of defendants' exhibits.)

Mr. ROSENTHAL. I now offer in evidence papers that have heretofore been marked "Defendants' Exhibits 224, 225, and 226" for identification, the same being certain letters of William Campbell addressed to S. H. McClintock, the signatures thereto having been properly identified by Mr. Horace Tucker, and ask that they be marked now "Defendants' Exhibits 224, 225, and 226." In view of the fact that these are original letters and may be required in another proceeding, I ask leave to substitute copies therefor.

Mr. KELLOGG. There is no objection to the substitution of copies; but if there was not an objection to the original letters when they were put in, I would like to enter an objection now—that there is no evidence that they were sent or received, and that they are therefore incompetent and immaterial.

Mr. ROSENTHAL. I also ask counsel for the Government to agree that if in the course of the argument we wish to use those original letters, they may be produced and used by us at that time.

13512 Mr. KELLOGG. Oh, yes—subject to the same objection.

Mr. ROSENTHAL. Subject to the objection that you just named.

I want to offer in evidence certain percentage sheets of the Chicago & Alton Railway Company, which are offered in connection with the Mississippi Valley tariff No. 7, and ask that they be marked "Defendants' Exhibits 343–A to 343–T," inclusive, it being understood that after counsel for the Government has had an opportunity to check these exhibits, it is possible they may be withdrawn and the subject-matter covered by proper stipulation.

I also offer in evidence the percentage sheet of the Chicago, Burlington & Quincy Railroad Company, marked "C., B. & Q. G. F. O. No. 1200," taking effect January 1, 1901—subject to the same suggestion as was made in connection with the percentage sheets of the Chicago & Alton, and ask that the same be marked "Defendants' Exhibit 344."

(12 sheets were marked "Defendants' Exhibit 344.")

Mr. KELLOGG. As to the information asked of Edward T. Johnson, division freight agent of the Pennsylvania Railroad Company, and as to the information asked of Mr. Kallman of the New York Central road, the Government is to hand to Mr. Rosenthal copies of the information furnished, and, if it is not put in the record as testimony, these men are to return for cross-examination——

Mr. ROSENTHAL. No, no.

Mr. KELLOGG. Then, they must return now.

Mr. ROSENTHAL. If it is not put into the record as testi-
13513 mony, the Government may, at any time before the conclusion of the case, treat them as witnesses still under cross-examination.

Mr. KELLOGG. Well, how am I going to get them here?

Mr. ROSENTHAL. I am not going to obligate myself to get the men here.

Mr. KELLOGG. They were your witnesses. And it was the understanding that they were to return. I shall not consent to that, unless——

Mr. ROSENTHAL. Then you will have to let it stand just as it is, because I shall not consent to anything else—for the time being.

Mr. KELLOGG. Those men were to return if they did not furnish this information.

Mr. ROSENTHAL. Mr. Kellogg, I was not present when Mr. Johnson and Mr. Kallman were examined. And you are now calling upon me (I not having read their testimony, even, as yet) to enter into certain stipulations with you in regard to that. I will not do it.

Mr. KELLOGG. Well, then, let the men who were present come here and dispose of it. I am not responsible for switching of counsel.

Mr. ROSENTHAL. That is a matter you will have to take up with Mr. Miller——

Mr. KELLOGG. I will not take it up with Mr. Miller.

Mr. ROSENTHAL. Or let it stand just as it is. I have nothing to do with it.

Mr. KELLOGG. It is not for us to obligate ourselves to get witnesses back here whom you were to produce.

13514 The EXAMINER. Who was present when that arrangement was made? Was that in Chicago?

Mr. KELLOGG. It was here. These witnesses were produced by them. We asked for certain information, and they were to produce it—and they have produced it.

The EXAMINER. Don't you think that that could be agreed upon with Mr. Miller?

Mr. KELLOGG. How am I going to agree with Mr. Miller? He is not here.

Mr. ROSENTHAL. I have made this suggestion: That if it is not put into the record as testimony the Government may, at any time before the conclusion of the case, treat them as witnesses still under cross-examination. Why doesn't that cover the whole thing?

Mr. KELLOGG. Tell me how I am to get them here for cross-examination.

Mr. ROSENTHAL. How are you to get them here now? You can get them here next month in the same way that you can get them here this morning—under that sort of an agreement, can't you? And if they do not return, they are to be treated as any other witnesses still under cross-examination who do not obey the process of the court. The situation with respect to Mr. Johnson and Mr. Kallman, under my suggestion, will be precisely the same during the month of January as it will be during the month of December. I make that suggestion because the witnesses are not here, and because my associates, who were here when they were examined, are not here now. Mr. Martyn is in Chicago and Mr. Miller is otherwise occupied.

13515 Mr. KELLOGG. The month of January is too short a time
13516 for me to apply to the court, have a hearing, and compel wit-
13517 nesses to appear. I can not do it in any such length of time.

Mr. ROSENTHAL. Well, I have no suggestion to make beyond that. If you do not wish to act upon that suggestion, you must do just as you see fit about those two witnesses. It seems to me that that covers the whole thing.

Mr. KELLOGG. While Mr. Rosenthal is here I want to put in these Barnsdall contracts.

Mr. ROSENTHAL. I am very glad indeed to have you put them in.

Mr. KELLOGG. I offer those in evidence. Is it stipulated that Mr. W. J. Young, named therein, represents the Standard Oil Company?

Mr. ROSENTHAL. Yes, sir.

(The papers last offered were marked "Petitioner's Exhibits 946 and 947.)

Mr. KELLOGG. You may mark copies, in lieu of the originals, Mr. Taylor, if Mr. Rosenthal wants these returned.

13518 AFTERNOON SESSION.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg. On behalf of the defendants, Mr. John G. Milburn, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. Douglas Campbell, Mr. W. Cleveland Runyon.

JOHN D. ARCHBOLD, recalled, testified as follows:

Cross-examination by Mr. KELLOGG:

Q. Mr. Archbold, defendants' Exhibit 305, a part of which is a statement of the production of petroleum in Russia or Russian illuminating oil, is the shipments of illuminating oil from Baku into Russia as well as out of Russia? They are their total shipments, aren't they?—A. I do not know surely. I can not answer the question surely. I assume that our Government in making up such a statement would have access only to the shipments from Batum, which is of course the shipping port. But they take the gross shipments from Baku to Batum. I am not familiar enough with it to answer positively.

Q. But those undoubtedly are, Mr. Archbold (and I want to get it into the record), not only shipments to foreign countries, but shipments into Russia?—A. It may be. I can't answer positively about it.

Q. Because in looking over the tables of the Geological Survey it is perfectly evident that these shipments down to 1903, and for that matter on to the present time, contained in the Geological
13519 Survey under the head of "Production of petroleum," are shipments into Russia as well as into other countries.—A. It may be so.

(Mr. Durand explained table to the witness.)

Mr. KELLOGG. I have no doubt Mr. Archbold and Mr. Folger can clear that up.

WITNESS. Yes; we can.

Q. You spoke of Mr. Poth, of Mannheim, Germany.—A. Yes.

Q. Mr. Poth's business was that of retailing oil, wasn't it?—A. He was a dealer, a wholesaler.

Q. A wholesaler. I did not mean a retailer. He was selling to the retailers?—A. Yes; a jobber.

Q. Throughout parts of Germany?—A. Yes.

Q. How extensively?—A. His principal depots were at Mannheim and Bremen, if I remember right.

Q. About when did he commence to purchase his oil and to act as the representative of the Pure Oil Company?—A. I am not sure as to the date. I should say it was about 1893.

Q. Well, I mean by the Pure Oil Company either the Pure Oil Company or the Pure Oil interests, United States Pipe Line interests.—A. Yes; I so understood.

Q. While he was with that concern he established a large number of stations, didn't he?—A. I can not answer as to how many. I have no doubt he did establish stations. How many I do not know.

Q. He also had the machinery for disposing of his oil, the tank wagons and tanks and tank cars, did he not?—A. I do not know as to tank cars. He had the other.

Q. Tank wagons and tanks?—A. Yes.

13520 Q. And had built up quite a large trade, had he not, for the Pure Oil Company?—A. Quite a large trade.

Q. About 1895, was it, that you bought him out?—A. I think it was 1894.

Q. 1894?—A. That is my recollection. I can get the date, but I think in 1894.

Q. Wasn't it in 1896?—A. It may have been. I should not think it was as late as that.

Q. Previous to the time you bought him out there was a very sharp price war between Poth and your concern there, was there not?—A. There was.

Q. And prices were reduced very much?—A. Undoubtedly they were.

Q. And the result was that Mr. Poth sold out all of his tank wagons and tanks and stations to your company?—A. Mr. Poth came and made the overture to the D. A. P. G. and they bought him out.

Q. Do you know that Mr. Poth made the overture to them or they to him?—A. It was so reported, as I recall now.

Q. Buying him out left the Pure Oil Company without any distributing stations or tank wagons or anything, didn't it?—A. Well, I do not know as to that.

Q. You don't know as they had any after that; did they?—A. I don't know what else they may have had in the German territory.

Q. Didn't they immediately afterward have to go to work and establish stations of their own?—A. Well, I am not familiar with their business.

13521 Q. Well, there was a very sharp price war going on for some time before you bought him out?—A. There undoubtedly was.

Q. You were speaking of the trunk pipe lines purchased along in those early years prior to 1880; the fact is, in those days there were practically no trunk pipe lines, were there?

Mr. MILBURN. He didn't say that.

A. Prior to 1880?

Q. Yes.—A. No; except the line to Pittsburg, the Columbia Conduit line, and the American Transfer had some short spurs.

Q. But those lines were subsequently what were known as gathering systems, weren't they?—A. Well, they would nowadays be known as gathering systems.

Q. In fact, substantially all of the lines which were then in existence in Pennsylvania were what you now call gathering systems?—A. Well, let us see. In 1880 I think the American Transfer had begun the extension of a line to Cleveland, and so forth.

Q. Well, 1876, 1877, and 1878 and 1879; along there?—A. Yes. They were——

Q. Practically all gathering systems?—A. Well, they would be called so now; yes.

Q. And you don't class them in your statement here as trunk lines at all?—A. Well, I think the Columbia Conduit was classed in the early days.

Q. Well, the Columbia Conduit, you mentioned that; but with the exception of that you do not class any of those as trunk lines?—A. Well, in the testimony which I gave with reference to the be-

13522 ginning of the construction of trunk lines in 1882, we called them trunk lines where they were begun to New York and to Philadelphia and to Cleveland.

Q. Yes; but prior to that I am talking about.—A. Prior to that, in the early days——

Q. They were what you would call gathering lines—gathering systems?—A. Yes; with the exception that the American Transfer for a period was considered rather outside of what was in those days known as the strict gathering system.

Q. But those lines which you then would call trunk lines you now class as gathering lines, don't you?—A. Oh, I should call them gathering lines now; yes.

Q. So that the acquisition of all these lines in those early days by the Standard Oil Company was the acquisition of what there was in existence which were gathering lines?—A. Yes; if you so term them.

Q. Now, there is one additional line that I would like to ask you about that I think was perhaps overlooked. Do you know a line called the Columbia Pipe Line, in Allegheny County, New York, which connects with the Wellsville Refinery and the United States Pipe Line?—A. I have heard of it. It is a small local line in the Wellsville or Allegheny field.

Q. Produces two or three hundred thousand barrels a year—handles that, I mean?—A. I do not know, I am sure, what its business is.

Q. Do you know of a transaction which occurred in 1904 in which the majority of the stockholders sold their interest out to other parties?—A. I do not understand the question. I do not get the purport of it.

13523 Q. I ask you if you know about a transaction in 1904 in which certain stockholders constituting the majority, or perhaps it was a minority, sold their stock in that pipe line?—A. I do not know about it.

Q. And that Mr. Daniel O'Day was the man who held the conferences over the purchase of those stocks?—A. I do not know about it. If any such transaction occurred, I do not know about it.

Q. Do you know Mr. Norton, the vice-president of the Columbia Pipe Line?—A. I know of a Mr. Norton. I have no special acquaintance with him.

Q. He lives at Wellsville?—A. I think he does.

Q. Mr. Richardson, too, lives at Wellsville?—A. I don't know him.

Q. Mr. McEwan?—A. I don't know him.

Q. Did you know it at the time that transaction took place? Did you hear of it?—A. Well, I have a very faint recollection of hearing of some negotiation, but I haven't it in mind at all, and I can not from memory undertake to tell about it.

Q. Is it not a fact that Mr. Daniel O'Day purchased the majority of the stock through Mr. Richardson and Mr. McEwan of the Columbia Pipe Line Company, and that Mr. Norton, whose stock had been put up as collateral, insisted upon getting his stock back, and therefore left Mr. O'Day with a minority of the stock?—A. Well, as I say, I have no knowledge of the transaction that would enable me to testify regarding it.

Q. And did not Mr. O'Day then turn the stock over to the Tide Water Pipe Line?—A. Well, I can only answer again that I do not know.

13524 Q. Did you know of conferences between Mr. O'Day and these men?—A. As I say, I have a faint recollection of there being some overture in regard to that concern. It has gone from my mind entirely, and I did not have to do with it, and I can not testify with reference to it.

Q. Well, do you know now that the Tide Water Company has stock in it?—A. I couldn't have told so until you say it. Indeed, I had forgotten that there was such a concern.

Q. In the cross-examination the other day I asked you about the purchase of the refinery of King & McGoey here in New York in 1879 or in 1880, along there. You, I think, said that you recollected it.—A. My recollection is that there was a lease for a period and that finally there was a purchase.

Q. Now tell me what that arrangement was between you and Mr. Rogers on one part, and King & McGoey on the other.—A. As to the terms of whatever the transaction was?

Q. Yes; what you did; what the agreement was generally. I mean in general terms.—A. I can not tell you from memory. I have no distinct recollection as to what the terms of the agreement were.

Q. King & McGoey had been in the refining business here a great many years, hadn't they?—A. A number of years; yes, sir.

Q. They were a partnership in those days, were they not?—A. Yes.

Q. Did not you and Mr. Rogers become partners with King & McGoey in that institution under an arrangement whereby for ten years you guaranteed them a certain income as their share of

the firm?—A. There was an agreement. What its terms were I can not at this date undertake to say, without inquiry.

13525 Q. Did you not close down the refinery and pay King & McGoey their share of the profits during the ten years' contract?—A. As to the operation of the agreement, whatever it was, that I could not testify to without inquiry; it is so long ago.

Q. Did you not close down the refinery?—A. That I could not answer. My impressions are that the refinery was run as long as it was at all possible to run it as an economic question.

Q. Did you along in that time make any similar agreement with any other concerns and become partners in them?—A. I could not from memory undertake to answer a general question of that kind.

Q. I mean here in New York?—A. I do not recollect.

Q. Mr. Archbold, you were asked definitely to produce certain information. I had better take the items in their order, I guess. If you will turn to your copy of that.

Mr. MILBURN. Did not Mr. Rosenthal answer as to all of these requests and go over them?

Mr. KELLOGG. No; he said we could take them up this afternoon.

Mr. MILBURN. I thought the other day when I was here that it was read in the record.

Mr. KELLOGG. No. He did make some statement about part of them, but he asked us to consolidate them at the end of Mr. Archbold's testimony and then they would be answered later. He said this morning we could go over the balance of them with you. Some of them have been answered. The first one was this: "Find out

13526 about the James McDonald account and produce the English books of the Anglo-American Oil Company showing that this loan was for." Have you done anything about that?

Mr. MILBURN. He and Mr. Rosenthal answered that and it is in the record.

Mr. KELLOGG. I don't think so.

Mr. MILBURN. As I remember, I was present at that.

Mr. KELLOGG. Well, there may be some statement by Mr. Rosenthal.

Mr. MILBURN. Well, the same situation exists now.

Mr. KELLOGG. Well, is the information going to be produced or not? That is the question.

Mr. MILBURN. I think the answer at that time, as I recall it, was that Mr. Archbold has no information about the matter, and has not those books, and is not an officer of that company.

Mr. KELLOGG. All right. If that is final that settles it. Now, the next was a statement—it is contained on page 13210 of the record—showing the location and business of all corporations engaged in any branch of the petroleum business in which stock has been purchased, and of interests in firms and individuals engaged in the same business which have been purchased by certain companies named therein. Mr. Rosenthal said that it would take some time to prepare that, and he did not know how long.

Mr. MILBURN. As I remember, he said we could not do any more than we had done in that matter.

Mr. KELLOGG. No, he said he would get that for us either during the time your testimony was being taken or while ours was being taken. That was the answer as to that one.

13527 Mr. MILBURN. Well, we can refer to the record. We will stand on the answer that Mr. Rosenthal made then, which must be in the record. He took up those matters, and I know he was answering them quite formally.

Mr. KELLOGG. Now, the other was to produce the original balance sheet of the trustees for 1882, showing the actual value of the stocks for which the $70,000,000 of trust certificates were issued. He said that they were looking for and would get that if possible.

Mr. MILBURN. Well, that will stand, Mr. Kellogg—that answer. Whatever we can find in that regard will be produced.

Mr. KELLOGG. Well, have you made any search for that, Mr. Archbold?

Mr. MILBURN. They have been doing nothing else over there but searching for those things.

WITNESS. It has been in the hands of all the people.

Mr. KELLOGG. No. 6: Produce the trust certificate books and trust certificate journal and ledger, showing the issuance and transfer of all certificates issued by the trustees.

Mr. MILBURN. Well, the same answer to that, Mr. Kellogg.

Mr. KELLOGG. There hasn't been any answer to that, Mr. Milburn.

Mr. MILBURN. If it is found it will be produced.

Mr. KELLOGG. The question is, Has it been found?

Mr. MILBURN. It would certainly be reported to me if it had been. Mr. Archbold answered that; that he would direct a search to be made, and that he hadn't the remotest idea why it should not be produced, so far as anything that it contained.

Mr. KELLOGG. Well, it would seem that a year was time
13528 enough within which to find out whether they have got those or not.

Mr. MILBURN. Well, I am sure I would be very glad to have them put into my possession. I can not conceive of anything that they contain that is not known.

Mr. KELLOGG. Well, there was a list of directors of the Anglo-American Oil Company.

Mr. MILBURN. That he gave.

Mr. KELLOGG. Was that given the other day?

Mr. DURAND. I didn't hear it.

Mr. KELLOGG. Mr. Rosenthal said they would have that here. They have not done it yet.

Mr. MILBURN. Didn't you have that?

WITNESS. I thought it was given. I thought Mr. Rosenthal had it. I think Mr. Rosenthal had it.

Mr. MILBURN. Well, I will send that to you. I think it was given, but I will send that to you.

Mr. KELLOGG. Now, another thing that was to be corrected was the statement of the value of the refineries in 1906, showing the value less depreciation. That has never been corrected. That statement of the value of the refineries in 1906 has never been corrected.

Mr. FOLGER. I couldn't say. I haven't got that paper. I think Mr. Durand's document is right.

Mr. KELLOGG. You produced here an exhibit showing the value of these refineries in 1906, Mr. Archbold, and it said on the face of it "Less depreciation." You remember that?

WITNESS. I remember a statement.

13529 Mr. MILBURN. What exhibit is that? You have got it right there. You are referring to it.

Mr. KELLOGG. No; I haven't even got the page. And that was evidently erroneous, because the balance sheets in evidence showed that the depreciation had not been deducted.

Mr. TAYLOR. The fact is, Mr. Kellogg, that that heading is erroneous. So far as the correction in the figures that you ask for is concerned I think it is impossible, because in our books the depreciation is not carried out, as I understand it, into the various items.

Mr. MILBURN. I have made a note. Now, that exhibit will be corrected and furnished to you.

Mr. KELLOGG. All right.

Mr. MILBURN. We will see that that is done right away.

Mr. KELLOGG. All right. Now, the other was this: No. 10 (page 13212). In connection with Exhibit 268 present an additional statement comparing the purchase of crude oil by the Standard Oil interests with the total production, and comparing the consumption of crude oil by the Standard Oil interests with the total production in each of the fields separately.

Mr. MILBURN. That is being done and will be furnished you.

Mr KELLOGG. All right. The next is No. 11 on the same page. Find out about the payments to P. S. Trainor in the Southern Pipe Line Company's accounts.

Mr. MILBURN. Well, if you know any more about it now than you did when you were here before, say so.

WITNESS. I do not.

Q. But, Mr. Archbold, you can find out, can't you?—

13530 A. Well, I don't know how I can, Mr. Kellogg.

Q. You don't mean to say that a charge of $22,000,000 has been made against the Southern Pipe Line and that you can not find out what it is?—A. The best explanation I can give of that is that I gave the other day. It was an adjustment between those companies, the ownership being in common, and it was without special significance or importance. I can not get anybody to tell me what it meant.

Q. An adjustment of what?—A. An adjustment of the accounts in the exchange of their relations. I do not know in what respects.

Q. Well, that is pretty indefinite.—A. It appears to have been

purely a matter of bookkeeping, and I do not get any intelligent explanation of it.

Q. Well, but it isn't a matter of bookkeeping. It is a matter of $22,000,000 charged against that company as paid to P. S. Trainor. Now, certainly it wasn't an operating expense of the Southern Pipe Line Company, was it?—A. I do not know what it was.

Q. And you say you can not find out?

Mr. MILBURN. I think he has answered. He has given you all the information that he can. I do not know that you have any right to ask a witness to go all over the land to find out.

Mr. KELLOGG. I think I have. He is the head of the Standard Oil Company, and here it appears as a charge against that company.

Mr. MILBURN. Oh, well, we have had that over and over again, Mr. Kellogg.

13531 Mr. KELLOGG. I know we have had that, but we have never gotten a satisfactory explanation.

Mr. MILBURN. I think what you have got is satisfactory enough——

Mr. KELLOGG. It may be to you, but it is not to me.

Mr. MILBURN. For the purposes of this case.

Mr. KELLOGG. I think we are entitled to know whether these pipe line companies were losing that amount of money or whether that is something else.

WITNESS. I did not have to do personally, of course, with those departments, and the only explanation I can give is that which is given to me—that is, that it was simply an adjustment question.

Q. An adjustment of what?—A. A bookkeeping question.

Q. An adjustment of what?—A. Whatever, I don't know. I don't think that it had any significance as a matter of value to either of them.

Q. Well, as to that, Mr. Archbold, you will allow me to exercise my judgment. You are the head of the management of the Standard Oil Company, aren't you?—A. I don't so consider it; no.

Q. You are vice-president?—A. I am one of the vice-presidents.

Q. The men who made up that statement say they don't know what it is. There must be somebody in the Standard Oil who will know what that amount of money was paid out for; is there not?—A. I don't know.

13532 Mr. MILBURN. Well, he has told you that from all he can find out it is an adjustment of accounts between various companies owned by the same people.

Mr. KELLOGG. Well, between what companies? "Various companies" is——

Mr. MILBURN. Not alone money paid out. It is an adjustment of accounts, you have been told, of companies owned by the same people.

Mr. KELLOGG. Well, that is no explanation at all—adjustment of accounts.

Q. You wouldn't charge the Southern Pipe Line with having paid out $22,000,000 unless it was paid out, would you?—A. Well, I don't

know why it was done. You say that Mr. Trainor says he didn't get it. I don't know who did. I don't think anybody got it.

Q. Well, what became of it?—A. I don't think anything became of it, so far as I know. I don't know a thing about it.

Q. Is the $22,000,000 in the treasury of the pipe line companies?—A. I couldn't answer you.

Q. You think it wasn't paid out; then it must be in the treasury.—A. I don't know. I am merely quoting from Mr. Trainor.

Q. Well, let me see if I can get at it in any other way. It appears that those companies earned and had in the treasury that $22,000,000. Now, what became of it?—A. I tell you I don't know.

Q. Is it there now?—A. I do not know.

Q. It wasn't paid to Trainor?—A. Well, you say he says
13533 he didn't get it.

Q. Well, you believe it if he says so, don't you?—A. I would believe anything that Mr. Trainor would say; yes.

Q. Well, there is no dispute about what he testified to.—A. I don't know. I didn't hear him.

Q. Now, did you get the price charged to the Consolidated Gas Company of New York for gas oil? That was the last request made.—A. All those questions, Mr. Kellogg, are in the hands of the counsel. I do not know what answer was made.

Q. Well, I am asking you to answer it.—A. I haven't heard the question raised.

Q. You don't pretend that the Southern Pipe Line or any of the other pipe lines lost that amount of money that was charged against the Southern, do you?—A. I can not make any further explanation of that matter than what I have already made.

Q. During those years oil was going up all the time, wasn't it?—A. That I could not answer from memory.

Q. Was it a part of losses charged against P. S. Trainor, or wasn't it?—A. I can not make any further explanation of the matter than what I have already made.

Q. Was there any loss by the companies which was charged against that company?—A. I do not know, I am sure.

Q. Well, you can find out, can't you?

Mr. MILBURN. You asked him to find out. You have inquired and he has come back, and this is the third or fourth time that you have inquired.

Mr. KELLOGG. We haven't found that he made any inquiry yet.

Mr. MILBURN. Well, perhaps you might conclude that you
13534 are unduly curious.

Mr. KELLOGG. No, sir; I am not. I want to find out about that.

Mr. MILBURN. Well, you are getting on.

Mr. KELLOGG. In this list of various companies back in 1879 to 1882 you have not produced the stock list of the Standard Oil of Ohio showing changes of stock from time to time. When you get

the rest of those I would like to have that company included, Mr. Milburn.

Q. You don't know that this Exhibit 305 shows the oil that was shipped out of Russia?—A. No; I can't tell.

Redirect examination by Mr. MILBURN:

Q. Referring to the Keystone Refining Company exhibit, which is defendants' Exhibit 326, it appears that three of the original certificates were assigned to Charles Pratt and William G. Warden. I simply want to ask you if that transfer to them was as representatives of the Standard Oil shareholders?—A. It was.

Q. Now, when Mr. Poth left you and went over either to the Pure Oil or the interest which became the Pure Oil, he then had stations and delivery plant, did he not?—A. Oh, yes; oh, yes.

Q. As he had when he came back, when he renewed relations with you?—A. Oh, yes. Of course at the time he went away from the D. A. P. G. they were quite reliant on him for the distribution of the oil in those territories.

13535 Recross-examination by Mr. KELLOGG:

Q. But he wasn't buying exclusively then of your company, was he?—A. Well, I think practically exclusively.

Q. Wasn't he buying oil also of the United States?—A. I should say that he got the great bulk of his supply from the D. A. P. G.

Q. Yes; but he didn't get it all?—A. Perhaps not all.

13536 Mr. CRAWFORD. We offer in evidence tabulations showing the number of locomotives and other equipment, the weight of different parts of the same, and the average weight, on various railroads, together with the increase in the number and weight of the same from year to year, and other information, as specified in the following exhibits, to wit:

Defendants' Exhibits 345–A to 345–C, Boston & Maine Railroad, June 30, 1897, June 30, 1902, June 30, 1907, respectively.

Defendants' Exhibits 346–A to 346–C, Buffalo, Rochester & Pittsburg Railroad, June 30, 1898, June 30, 1902, June 30, 1907, respectively.

Defendants' Exhibits 347–A to 347–D, Central Railroad of New Jersey, December 31, 1897, December 31, 1899, June 30, 1904, June 30, 1907, respectively.

Defendants' Exhibits 348–A to 348–D, Chicago & Alton Railroad, December 31, 1897, December 31, 1900, December 31, 1901, December 31, 1907, respectively.

Defendants' Exhibits 349–A to 349–C, Chicago & Eastern Illinois Railroad, June 30, 1897, June 30, 1902, June 30, 1907, respectively.

Defendants' Exhibits 350–A to 350–D, Chicago Great Western Railway, June 30, 1897, June 30, 1903, June 30, 1906, June 30, 1907, respectively.

Defendants' Exhibits 351–A to 351–C, Chicago & Northwestern Railroad, June 30, 1897, June 30, 1904, June 30, 1907, respectively.

Defendants' Exhibits 352–A to 352–C, Chicago, Peoria & St. Louis Railroad, June 30, 1901, June 30, 1904, June 30, 1907, respectively.

13537 Defendants' Exhibits 353–A to 353–D, Chicago, Rock Island & Pacific Railroad, June 30, 1897, June 30, 1899, June 30, 1905, June 30, 1907, respectively.

Defendants' Exhibits 354–A to 354–D, Cincinnati, Hamilton & Dayton Railroad, June 30, 1897, June 30, 1902, June 30, 1905, June 30, 1907, respectively.

Defendants' Exhibits 355–A to 355–C, Detroit, Toledo & Ironton Railroad, June 30, 1901, June 30, 1906, June 30, 1907, respectively.

Defendants' Exhibits 356–A to 356–C, Erie Railroad Company, June 30, 1897, June 30, 1905, June 30, 1907, respectively.

Defendants' Exhibits 357, 358, and 359, New York, Susquehanna & Western Railroad Company, June 30, 1899, June 30, 1905, June 30, 1907, respectively.

Defendants' Exhibits 360–A to 360–C, Georgia Southern & Florida Railroad, June 30, 1897, June 30, 1903, June 30, 1907, respectively.

Defendants' Exhibits 361–A to 361–D, Great Northern Railway, June 30, 1897, June 30, 1903, June 30, 1905, June 30, 1907, respectively.

Defendants' Exhibits 362–A to 362–D, Hocking Valley Railroad, June 30, 1897, June 30, 1901, June 30, 1905, June 30, 1907, respectively.

Defendants' Exhibits 363–A to 363–B, Toledo & Ohio Central Railroad, June 30, 1901, and June 30, 1907, respectively.

Defendants' Exhibit 364, Kanawha & Michigan Railroad, June 30, 1901.

Defendants' Exhibit 365, Kanawha & Michigan Railroad,
13538 June 30, 1902.

Defendants' Exhibit 366, Kanawha & Michigan Railroad, June 30, 1907.

Defendants' Exhibits 367–A to 367–D, Lake Shore & Michigan Southern Railroad, December 31, 1897, December 31, 1900, December 31, 1901, December 31, 1907, respectively.

Defendants' Exhibits 368–A to 368–D, Lake Erie & Western Railroad, December 31, 1901, December 31, 1904, December 31, 1906, December 31, 1907, respectively.

Defendants' Exhibits 369–A to 369–D, Maine Central Railroad, June 30, 1897, June 30, 1900, June 30, 1902, June 30, 1907, respectively.

Defendants' Exhibits 370–A to 370–D, Michigan Central Railroad, December 31, 1902, December 31, 1903, December 31, 1904, December 31, 1907, respectively.

Defendants' Exhibits 371–A to 371–C, Minneapolis & St. Louis Railroad, June 30, 1897, June 30, 1902, June 30, 1907, respectively.

Defendants' Exhibits 372–A to 372–D, Minneapolis, St. Paul & S. S. M. Railroad, June 30, 1897, June 30, 1901, June 30, 1904, June 30, 1907, respectively.

Defendants' Exhibits 373–A to 373–C, New York, New Haven & Hartford Railroad, June 30, 1897, June 30, 1903, June 30, 1907, respectively.

Defendants' Exhibits 374–A to 374–D, New York, Ontario & Western Railroad, June 30, 1897, June 30, 1898, June 30, 1904, June 30, 1907, respectively.

Defendants' Exhibits 375–A to 375–D, Norfolk & Western
13539 Railroad, June 30, 1897, June 30, 1903, June 30, 1906, June 30, 1907, respectively.

Defendants' Exhibits 376–A to 376–C, P. C. C. & St. L. Ry., December 31, 1897, December 31, 1903, December 31, 1907, respectively.

Defendants' Exhibits 377–A to 377–C, The Pennsylvania Company, December 31, 1897, December 31, 1903, December 31, 1907, respectively.

Defendants' Exhibits 378–A to 378–C, lines east of Pittsburg and Erie, December 31, 1897, December 31, 1901, December 31, 1907, respectively.

Defendants' Exhibits 379–A to 379–D, Pere Marquette Railroad Company, December 31, 1900, December 31, 1903, June 30, 1906, June 30, 1907, respectively.

Defendants' Exhibits 380–A to 380–F, Philadelphia & Reading, February 28, 1897, June 30, 1899, June 30, 1901, June 30, 1902, June 30, 1905, February 28, 1907, respectively.

Defendants' Exhibits 381–A to 381–E, Richmond, Fredericksburg & Potomac Railroad, June 30, 1897, June 30, 1903, June 30, 1906, June 30, 1907, and summary, respectively.

Defendants' Exhibits 382–A to 382–C, Southern Indiana Railroad, June 30, 1899, June 30, 1904, June 30, 1907, respectively.

Defendants' Exhibits 383–A to 383–C, Seaboard Air Line Railroad, June 30, 1900, June 30, 1905, June 30, 1907, respectively.

Defendants' Exhibits 384–A to 384–C, Toledo, Peoria & Western Railway, December 31, 1897, December 31, 1905, December
13540 31, 1907, respectively.

We also offer in evidence tabulations containing similar information in regard to locomotives and freight equipment of the New York Central & Hudson River Railroad, as follows:

Defendants' Exhibit 385–A, September 30, 1898, defendants' Exhibit 385–B, December 31, 1907, defendants' Exhibit 385–C, June 30, 1898, and December 31, 1907.

(An adjournment was here taken until Monday, December 28, 1908, at 10.30 a. m.)

13541 ROOM 508, CUSTOM HOUSE, NEW YORK CITY,
Wednesday, December 30, 1908—2 p. m.

By consent of parties the hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place, instead of on Monday, December 28, 1908.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg. On behalf of the defendants, Mr. John G. Milburn, Mr. F. L. Crawford, Mr. Walter F. Taylor, Mr. W. Cleveland Runyon.

(Paper marked "Defendants' Exhibit 386.")

Mr. MILBURN. The defendants offer in evidence defendants' Exhibit 386, the same being statement taken from stock ledger of the Standard Oil Company of Ohio, opened March, 1875.

(Papers marked "Defendants' Exhibit 387.")

Mr. MILBURN. The defendants also offer in evidence defendants' Exhibit 387, being certified copy of the articles of incorporation and amendments thereto of the Standard Oil Company of Ohio.

(Papers marked "Defendants' Exhibit 388.")

Mr. MILBURN. The defendants also offer in evidence defendants' Exhibit 388, showing the original issue of shares of the Standard Oil Company of New Jersey for shares of the twenty subsidiary companies.

Mr. KELLOGG. There is no objection.

(Adjournment was here taken until the morning of Thursday, December 31, 1908, at 11 o'clock.)

13542 ROOM 508, CUSTOM HOUSE, NEW YORK CITY,
Thursday, December 31, 1908—11 a. m.

The hearing was resumed before the special examiner, Hon. Franklin Ferriss, at the above time and place.

Present: On behalf of the petitioner, Mr. Frank B. Kellogg. On behalf of the defendants, Mr. John G. Milburn, Mr. F. L. Crawford, Mr. Chauncey W. Martyn, Mr. Walter F. Taylor, Mr. W. Cleveland Runyon.

Mr. MARTYN. It is admitted, without proof in that regard, that S. H. McClintock was in charge of traffic of the Standard Oil Company of Indiana at Chicago for a period of several years prior to November 1, 1901, in the same manner that Edward Bogardus is shown to be in charge of said traffic, and that Mr. McClintock died in the year 1906.

Mr. MARTYN. The record does not show that defendants' Exhibits 203, 204, and 205 were offered in evidence. The same are now offered in evidence.

It was agreed between counsel for the purposes of this case that Frank B. Kellogg was to write a letter to Edward T. Johnson, one of the defendants' witnesses, stating that certain information was requested of him while a witness upon the stand, and that Mr. Johnson was to look the matter up and reply by letter, which has been done. It is therefore agreed, for the purposes of this case, and not to be used in any other case or proceeding, that the said letters may be received as evidence of the facts therein stated with the
13543 same force and effect as though Mr. Johnson returned to the witness stand and testified thereto, subject, however, to the objection of the defendants that the same is irrelevant and immaterial; and if, on investigation, it should be found that any of the

facts stated by Mr. Johnson are inaccurate, they may be corrected thereafter.

The said letters are as follows:

515 CUSTOM HOUSE, NEW YORK,
October 28, 1908.

EDWARD T. JOHNSON, Esq.,
Division Freight Agent,
Pennsylvania Railroad Co., Buffalo, N. Y.

DEAR SIR: According to our understanding last night upon the adjournment, we were to write you, giving the substance of the requests for information which were made during the examination, and you are to furnish the same in a letter or written statement, and if satisfactory to us the statement may go in evidence, otherwise, if we desire to cross-examine you further, you are to return at any time we wish. The information so requested which we deem important is as follows:

(1) The date when you changed the 9 cent per barrel rate or tariff so as to make it applicable only to partly finished products. Please furnish a copy of the tariff when so changed.

(2) Please furnish a statement of the number of cars of oil shipped from Olean to any point under the 26.5 cent tariff, since and including the year 1900. We wish the statement to show the destination of each car, the number of the car, the date of shipment, and the rate of freight.

13544 (3) Please state the territory in which the New England railroads prorated with the Pennsylvania Railroad and its connections prior to 1906 on shipments of oil, and the territory in which the said roads have prorated since said time. By 1906 as the dividing line I mean no specific date; but during the year 1906 the New England roads generally resumed prorating on oil shipments from western territory. I would therefore like your statement as definite as possible, referring us to the tariffs of the Pennsylvania Railroad and its connections.

Yours, truly, FRANK B. KELLOGG,
Special Assistant to the Attorney-General.

THE PENNSYLVANIA RAILROAD COMPANY.

Buffalo & Allegheny Valley Division.

[Office of Division Freight Agent.]

BUFFALO, N. Y.,
October 31, 1908. (File No. 21937.)

EDWARD T. JOHNSON,
Division Freight Agent.

Hon. FRANK B. KELLOGG,
Special Ass't. to Attorney-General,
No. 515 Custom House, New York City.

DEAR SIR: Referring to your letter of October 28th. In answer to your first inquiry, would advise that tariff showing rate of 9c. per

bbl., Olean to Rochester, was changed from "Petroleum and its products" to read "Unfinished refinery stock" on March 5, 1906,
13545 and I attach hereto copies of our tariffs showing from October 24, 1902, up to date the description of the articles.

In answer to your second inquiry, I find that from January 1, 1901, to the early part of 1905 there were no shipments of oil from Olean to points on the R. W. & O. Div. of the N. Y. C. & H. R. R. R. covered by the 26½c. tariff, the shipments within that period from Olean to that territory moving via Rochester, and since the early part of 1905 we have had no shipments consigned to that territory via any route. Copies of our waybills showing shipments from Olean in 1900 are not available, and we can not therefore give definite information as to that year, but to the best of my knowledge and belief no shipments moved from Oleon under the 26½c. rate in 1900.

In answer to your third inquiry relative to rates to New England points I give below this information covering the rates, first, to Boston & Maine R. R. points via the different routes; second, rates to Central Vermont R. R. points via Buffalo, Black Rock and Grand Trunk Ry., that being the only route via which we reach Central Vermont R. R. points; and third, tariffs to N. Y., N. H. & H. R. R. points.

Tariffs to B. & M. R. R. points, via Rotterdam Junction.

Tariff I. C. C.—S No. 461 via West Shore R. R. route from Olean to Boston & Maine R. R. points:

Fitchburg Division—	Scotia, N. Y.	to	Boston, Mass.
Southern "	Nashua, N. H.	"	Concord, N. H.
Conecticut "	Springfield, Mass.		Windsor, Vt.
Central Mass. "	Belmont, "		Northampton, Mass.
Concord "	Claremont, N. H.		
W. N. & P. "	Worcester, Mass.		North Acton, "
Eastern "	East Boston, "		

Same territory covered by Tariff I. C. C.—S No. 812 effect-
13546 ive March 3, 1906.

Supplement No. 3 to Tariff I. C. C.—S No. 812 added the following territory on Boston & Maine R. R. and St. Johnsbury & Lake Champlain R. R.:

Western Division—	Boston, Mass.		to Portland, Me.
Eastern "	" "		" " "
Southern "	" "		" " and Centre Barnstead, N. H.
White Mt. "	Concord, N. H.		" Groveton, N. H.
Northern "	Conway Jct., Me.		" Intervale, "
Passumpsic "	White River Jct., Vt.		Sherbrooke, Que.
Concord "	Concord, N. H.		Peterboro, N. H.
W. N. & P. "	Blood, "		Portland, Me.
St. Jno. & Lake Champlain Division—	Magnam, Vt.		Luenburg, Vt.

Same territory covered by Struthers, Oil City, Titusville, Rouseville, per tariffs I. C. C.—S No. 460 of April 10th, 1904, and Supplement No. 4, effective June 15th, 1906, which were canceled by Tariff I. C. C.—S No. 1092, effective January 23rd, 1907.

Same territory covered from Olean, Bradford, Buffalo, per Tariff I. C. C.—S No. 874, effective June 25, 1906, route via Wilkes-Barre, D. & H. Co., Mechanicsville and B. & M. R. R., no tariff being in force via this route prior to above date, and also per Tariff I. C. C.—S No. 872 from Struthers, Warren, Oil City, Rouseville, and Titusville, effective June 25, 1906.

Like division of territory is shown in Tariff I. C. C.—G No. 2048, effective May 1, 1905, the additional teritory being shown in Supplement No. 20, effective June 15, 1906, these tariffs being canceled by I. C. C.—G No. 2903, effective June 10, 1907, which is still in effect.

13547 Tariffs to Central Vermont R. R. points:

Tariff I. C. C.—S No. 1020 taking effect November 26, names rates from Olean, Bradford, Struthers, Oil City, Rouseville, and Titusville to Central Vermont R. R. points via Buffalo, Black Rock and Grand Trunk Ry., this tariff being superseded by I. C. C.—S No. 1043, effective January 2, 1907, no change being made in the list of stations to which rates are named.

Tariff to N. Y., N. H. & H. R. R. points:

Tariff I. C. C.—G No. 2691, effective August 8, 1906, names rates from Buffalo, Olean, Bradford, Struthers, Oil City, Rouseville, and Titusville to N. Y., N. H. & H. R. R. points via Belvidere, N. J., L. & H. R. R., Maybrook, N. Y., and C. N. & E. R. R. on basis of 18½c. to Boston, no tariff being in force prior to this date.[a]

Tariff I. C. C.—G No. 2691 was canceled by Tariff I. C. C.—G No. 2765, effective August 14, 1906, no change being made in the territory.

Tariff G. O.—I. C. C. No. 45, effective August 1, 1907, put in force via Harlem River rates on lubricating oil, paraffine, pa[illegible] oil, paraffine wax, petroleum distillates, petroleum pitch and residuum.

From Olean and Bradford 17c. per 100 lbs. to all points on N. Y, N. H. & H. R. R. except points taking Pelham basis of 16c. per 100 lbs.

Supplement No. 45, effective August 20, 1908, to Tariff I. C. C.—G No. 1865, effective October 13, 1902, removed the re-
13548 strictions via Harlem River on illuminating oils, gasoline, naphtha, and benzine, and authorized official classification rates of 5th class via that route, which would give Boston basis of 18½c. per 100 lbs.—the rates via Belvidere and Maybrook remaining on basis of 17c. to Boston and Boston points.

Yours, truly,

ETJ J EDWD. T. JOHNSON, *D. F. A.*

[a]And by supplement No. 4, effective Sept. 14, 1907, this was reduced to basis of 17c. to Boston.

(Admissions as to certain railroad rates, etc.)

It is admitted for the purposes of this case and not to be used in any other case or proceeding, that all of the rates named in New York Central & Hudson River Railroad Company's (Western Division) rate order No. W. K. 201, issued January 1, 1904 (constituting petitioner's Exhibit 612), were, with the exceptions hereafter mentioned, in force from January 1, 1899, to January 1, 1904; and were covered by annual rate orders issued by said railroad company which were not filed with the Interstate Commerce Commission. The above-mentioned exceptions are as follows:

(*a*) The rates to Partlow and Beaver River were not in existence back of January 1, 1903.

(*b*) The rate to Saranac Lake was 18 cents from January 1, 1899, to October 13, 1900, and thereafter 15 cents.

13549 (*c*) The rate to Clearwater was first put in effect May 14, 1900, and was then 30 cents, and was changed to 20 cents June 15, 1900, remaining unchanged thereafter.

(*d*) The rate to Fulton Chain was first issued August 24, 1900.

Both parties reserve the right to produce on any hearing of this cause any or all of the original rate orders covering any of the rates mentioned in this stipulation, to wit:

Nos. W. F. 148 and W. F. 553, of 1899.
Nos. W. G. 155 and W. G. 159, of 1900.
Nos. W. H. 37 and W. H. 41, of 1901.
Nos. W. I. 296 and W. I. 300, of 1902.
No. W. J. 357, of 1903.

It is admitted for the purposes of this case, and not to be used in any other case or proceeding, that New York Central & Hudson River Railroad Company's (Western Division) rate order W. L. 848 (constituting petitioner's Exhibit 928), from Buffalo and East Buffalo to Norwood, was cancelled effective December 7, 1905; that preceding this rate order there was another known as W. L. 789, issued July 31, 1905, effective August 1, 1905, applying the rate of 12 cents per hundred pounds on petroleum and its products in carloads from East Buffalo to Norwood, and also the rate of 18½ cents per hundred pounds from East Buffalo to Adirondack Division stations, Constable, N. Y., and south thereof; that said rate order No. W. L. 789 was cancelled effective October 2, 1905; and that neither said rate order W. L. 789 nor said rate order W. L. 848 was filed with the Interstate Commerce Commission.

It is admitted for the purposes of this case, and not to
13550 be used in any other case or proceeding, that during the period from November 3 to December 5, 1905, the Standard Oil Company shipped sixteen (16) cars of oil from East Buffalo, N. Y., to Norwood, N. Y., at a rate of 12 cents per hundred pounds, the same being the rate provided in N. Y. C. & H. R. R. Co. rate order W. L. 848 (being petitioner's Exhibit 928); that the final destination of all of said cars, as shown on the waybills of the New York Central, was either Burlington, Rutland, or Bellows Falls, Vt.;

and that the shipment thereof was covered by six (6) waybills of the New York Central & Hudson River Railroad Company numbered, dated, and covering the number of cars, respectively, as follows, to wit:

Waybill number.	Dated.	Number of cars.	Waybill number.	Dated.	Number of cars.
3135	Nov. 3, 1905	2	2190	Nov. 21, 1905	1
8304	Nov. 8, 1905	2	2824	Nov. 28, 1905	1
11253	Nov. 11, 1905	1	5185	Dec. 5, 1905	1

Both parties reserve the right to produce on any hearing of this cause any or all of said waybills, or copies thereof.

It is admitted for the purposes of this case, and not to be used in any other case or proceeding, that from January 1, 1900, to December 31, 1904, the New York Central & Hudson River Railroad Company (Western Division) had in effect a rate of 11½ cents per hundred pounds on refined oil, petroleum and its products, in car-
13551 loads, from Buffalo or East Buffalo or both, to Oswego, N. Y., and that from October 29, 1901, to December 31, 1904, said railroad company also had in effect a rate of 11½ cents per hundred pounds on said products from Buffalo or East Buffalo, or both, to Central Square, N. Y.; that said rates were covered by annual rate orders as follows:

W. G. 223, issued January 1, 1900;
W. H. 300, issued January 1, 1901, and amendment thereto, issued October 29, 1901;
W. I. 26, issued January 1, 1902;
W. J. 428, issued January 1, 1903, and
W. K. 17, issued January 1, 1904;

that said last-named rate order continued also a rate of 11½ cents per hundred pounds from East Buffalo to Fulton and Skaneateles Junction; and that none of said rate orders above mentioned was filed with the Interstate Commerce Commission.

Both parties reserve the right to produce on any hearing of this case any or all of the above-mentioned rate orders, or copies thereof.

The foregoing stipulations are subject to the objection by defendants' counsel that they are immaterial and irrelevant.

It is agreed that a letter from J. E. Gorman, freight traffic manager of the Atchison, Topeka & Sante Fe Railway Company, may be received as evidence of the facts therein stated, with the same force and effect as though said Gorman had appeared and testified thereto, subject, however, to the understanding that the Government's counsel will examine the records of the Interstate Commerce Commission, and if it is found that there were any such tariffs, the substance thereof may be stated in evidence at any time be-
13552 fore the Government closes its case.

The letter from Mr. Gorman is as follows:

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY SYSTEM.

Railway Exchange, 9 Jackson Boulevard, Chicago.

[Freight Traffic Department.]

J. E. GORMAN,
Freight Traffic Manager.
F. B. HOUGHTON,
Asst. Freight Traffic Manager.

D–389540

CHICAGO, *December 30th, 1908.*

Mr. CHAUNCEY W. MARTYN,
Attorney & Counselor-at-Law, Chicago, Ill.

DEAR SIR: Replying to your letter of December 21st asking if prior to January, 1906, we had tariffs naming through rates on petroleum oil from Redondo, Cal., to points on the Southern Pacific R. R. in California and Arizona. Wish to state that from an examination of our records and tariffs I am able to state that I am unable to locate any through rates in effect during the period you mention.

Yours, truly,

J. E. GORMAN.
C.

13553 *Statement in connection with defendant's Exhibit No. 388 made by defendant's counsel and accepted by complainant's counsel in explanation of certain shares of the Standard Oil Company (of New Jersey), appearing by that exhibit to have been issued to John D. Rockefeller and H. M. Flagler.*

In the first instance, shares of the Standard Oil Company (of New Jersey) were issued to both Mr. Rockefeller and Mr. Flagler for the shares owned by them respectively in the twenty companies. In 1899 and afterwards various holders of trust certificates in relatively small amounts, to avoid the inconvenience to them of converting such certificates into shares or fractional shares of the twenty companies for the purpose of transferring such shares or fractional shares to the Standard Oil Company (of New Jersey), transferred their trust certificates to Mr. Rockefeller or Mr. Flagler and received for them shares of Standard Oil Company (of New Jersey) owned by Mr. Rockefeller or Mr. Flagler, as the case might be. Mr. Rockefeller and Mr. Flagler later converted the certificates so transferred by them into the shares of the twenty companies, and then transferred those shares to the Standard Oil Company (of New Jersey) for its shares.

13554 Mr. CRAWFORD. Defendants offer in evidence the following exhibits, which are received subject to correction:

Defendants' Exhibit 389–A, being chart showing course of relative prices of general commodities, Water White refined oil (price to

dealers, less freight), maple bedroom chairs, horse blankets, sugar, and suitings (indigo blue, all wool). The general commodity line is based on defendants' Exhibit 294. The W. W. oil line is based on defendants' Exhibit 293–B. The relative prices of the other commodities are taken from the Report of the U. S. Bureau of Labor, March, 1908, No. 75.

Defendants' Exhibit 389–B, being the figures upon which defendants' Exhibit 389–A is constructed.

Defendants' Exhibit 390–A, being chart showing course of relative prices of general commodities, Water White refined oil (prices to dealers, less freight), meat (hams), rubber, bags (Amoskeag), pine doors, and worsted yarns. The general commodity line is based on defendants' Exhibit 294. The W. W. refined oil line is based on defendants' Exhibit 293–B. The relative prices of the other commodities are taken from the Report of the U. S. Bureau of Labor, March, 1908, No. 75.

Defendants' Exhibit 390–B, being the figures upon which defendants' Exhibit 390–A is constructed.

Defendants' Exhibit 391–A, being chart showing course of relative prices of general commodities, Water White refined oil (prices to dealers, less freight), leather (sole), buckwheat flour, window glass (American), and wool. The general commodity line is based on defendants' Exhibit 294. The W. W. refined oil line is based
13555 on defendants' Exhibit 293–B. The relative prices of the other commodities are taken from the Report of the U. S. Bureau of Labor, March, 1908, No. 75.

Defendants' Exhibit 391–B, being the figures upon which defendants' Exhibit 391–A is constructed.

Defendants' Exhibit 392–A being chart showing course of relative prices of general commodities, Water White refined oil (price to dealers, less freight), carpets (Brussels), copper wire, soap (castile), and rye flour. The general commodity line is based on defendants' Exhibit 294. The W. W. refined oil line is based on defendants' Exhibit 293–B. The relative prices of the other commodities are taken from the Report of the U. S. Bureau of Labor, March, 1908, No. 75.

Defendants' Exhibit 392–B being the figures upon which defendants' Exhibit 392–A is constructed.

Defendants' Exhibit 393–A being chart showing course of relative prices on general commodities, Water White refined oil (prices to dealers, less freight), files, zinc sheets, butter, and wheat flour. The general commodity line is based on defendants' Exhibit 294. The Water White refined oil line is based on defendants' Exhibit 293–B. The relative prices of the other commodities are taken from the Report of the U. S. Bureau of Labor, March, 1908, No. 75.

Defendants' Exhibit 393–B being the figures upon which defendants' Exhibit 393–A is constructed.

Defendants' Exhibit 394–A being chart showing course of relative prices of general commodities, Water White refined oil (price to

dealers, less freight), bread, crackers, butter, cotton-seed
13556 meal, lead pipes, and women's dress goods. The general commodity line is based on defendants' Exhibit 294. The W. W. refined oil line is based on defendants' Exhibit 293–B. The relative prices of the other commodities are taken from the Report of the U. S. Bureau of Labor, March, 1908, No. 75.

Defendants' Exhibit 394–B being the figures upon which defendants' Exhibit 394–A is constructed.

Defendants' Exhibit 395–A being chart showing course of relative prices of general commodities, Water White refined oil (price to dealers, less freight), milk, sheetings, cheese, blankets, and copper sheets. The general commodity line is based on defendants' Exhibit 294. The W. W. refined-oil line is based on defendants' Exhibit 293–B. The relative prices of the other commodities are taken from the Report of the U. S. Bureau of Labor, March, 1908, No. 75.

Defendants' Exhibit 395–B being the figures upon which defendants' Exhibit 395–A is constructed.

It is agreed between counsel that all of the tariffs that have been testified to, or may be testified to, by the various witnesses on behalf of the Government or the defendants, but not in fact copied into the record, may be produced at any hearing of this case in any court and referred to on argument of the case, the same as if such tariffs had been in fact copied into the record, subject to the same objection. And either party may produce said tariffs, or apply to the court to procure them; and the counsel for the Government agree, upon request of the defendants made in apt time, to use every effort to cause the said tariffs to be produced if they can do so.
13557 These tariffs to include the tariffs referred to by Messrs. Green and Culp as the basis of the so-called division sheets about which they testified. It is, however, agreed that the testimony in fact shown in the record shall not be stricken out because of the failure to produce or of inability to produce said tariffs.

It is stipulated that defendants' Exhibits 227 to 250, inclusive, being blueprint exhibits offered in connection with pipe-line testimony, need not be printed in the record nor as a part thereof, but that duplicate copies of the said original exhibits may be handed to the court and used upon the arguments or at any hearing of said case in like manner as is the case with physical exhibits, provided that defendants may nevertheless, if they so desire, cause the same to be printed in the record in case of appeal by either party to the Supreme Court of the United States from any decision of the United States Circuit Court.

13558 CHARLES H. LOWN, being duly sworn upon behalf of the defendants, testified as follows:

Direct examination by Mr. MARTYN:

Q. Please state your full name.—A. Charles H. Lown.
Q. Where do you live?—A. Hastings-on-the-Hudson, New York.
Q. Where are you employed?—A. Standard Oil Company.

Q. In what office?—A. In the freight traffic office.

Q. That is in Mr. Felton's office?—A. In Mr. Felton's office.

Q. How long have you been in that employment?—A. Since the latter part of May, 1905.

Q. And your business there has been of what nature?—A. Principally as rate clerk.

Q. Handling tariffs?—A. Handling the freight tariffs of nearly every railroad.

Q. Prior to that time where were you employed?—A. In the freight tariff bureau of the New York Central and West Shore Railroad.

Q. How long were you in that employment?—A. With the New York Central and West Shore Railroad from, I think, September 1, 1895, down to the date I became connected with the Standard Oil Company.

Q. What were your duties there?—A. Various duties, from office boy to tariff clerk or rate clerk.

Q. Did you have anything to do with the compiling and handling of tariffs?—A. Yes, sir.

13559 Q. Quoting rates?—A. Yes, sir.

Q. You have had a total experience, then, in the compiling of freight tariffs, for about how many years?—A. I should say from about January 1, 1898, down to the present time.

Q. It appears in this case that two witnesses, John M. Culp and Lincoln Green, produced certain documents, including petitioner's Exhibit 659 and petitioner's Exhibits 651 and 652–A, B, C, D, E, F, and G, and testified that those documents were division sheets. They also testified as to the numbers of certain tariffs which they said were the basis of the so-called division sheets; and the witness Green testified that the tariffs, the numbers of which he specified, were all of the tariffs that he had found at that time that showed the rates of which the so-called division sheets showed the divisions, but that there might be other tariffs. You are familiar with their testimony and with these exhibits as shown in this record, are you?—A. Yes, sir.

Q. Have you made an examination of the tariffs which they referred to?—A. Yes, sir.

Q. And of the files of the Interstate Commerce Commission?—A. Yes, sir.

Q. To see whether you could find any other tariffs than those which were referred to that do show rates that were shown to him, together with the division of the rates in these so-called division sheets?—A. Yes, sir.

Q. Did you find any other tariffs than those which they referred to showing rates from Evansville, via Grand Junc-

13560 tion, to the various destinations in the Southern States shown in these so-called division sheets?—A. Yes, sir.

Q. Other than the tariffs that they referred to?—A. Yes, sir; I found tariffs, but not naming the rates in every case named in these

division sheets. I found various tariffs; I should say, some hundred odd tariffs.

Q. You examined, in all, how many tariffs?—A. I should approximate it at, possibly, one hundred tariffs all together; maybe not quite so many. I could add them up in a short time and find out the exact number.

Q. It does not matter. Petitioner's Exhibit 659 names the total rate and division of the rate between the several railroads to forty-eight separate stations. How many, if any, of those stations are there to which you find no tariff rate in effect at that time?—A. I find in that issue that there were seventeen points not provided with a rate on barrel shipments in the tariff referred to, and ten additional points are shown in Exhibit 659 where no rate was provided for on tank-car shipments.

Q. And you find seventeen that were not covered either by barrel or tank car?—A. Either by barrel or tank car.

Q. Do you find the same rate as to those seventeen points in a class rate?—A. I find in a class-rate tariff, which I think was a prior issue to I. C. C. B–381, three of the points providing a class rate the same as shown in that issue.

Q. As to the remaining fourteen points, you found neither a class nor a commodity rate in effect at that time?—A. To the remaining twenty-four points there were 10 and 17—27.

13561 Q. Taking those seventeen points, you found no rate at all as to fourteen of them? Is that right?—A. No, that is not quite right. Out of the total of 27 there were three points to which there was a class rate published, which was the same as the rate shown in Exhibit 659. Whether that was one of the points I can't tell you just now.

Q. Oh, I see.—A. But I can refer to a memorandum.

Q. Well, perhaps we do not need to go into details. As to 27 points, then, there were three points as to which you found a class rate only?—A. Yes.

Q. And there were ten points as to which you found a barrel rate only, but no tank car rate?—A. But no tank car rate.

Q. And as to the rest you found no rate at all?—A. As to the rest I found no rate at all with the exception of the class rates; that is, as far as that issue is concerned.

Q. And you found only three of those?—A. Only three class rates that would apply on any shipment to those points, whether tank car or barrel.

Q. Now, taking up the next so-called division sheet, petitioner's Exhibit 651, what did you find with respect to this same question, as to whether or not there were tariffs in effect at the time of this so-called division sheet, showing the rate on the so-called division sheet?—A. These division sheets lapped over with certain tariffs beginning with Exhibit 651. There was an Illinois Central tariff part of the time and a class-rate tariff part of the time; that existed various times, between certain periods.

Q. At any time during the period that petitioner's Exhibit 651 was in effect, are there any rates shown and divisions of
13562 rates shown in this exhibit as to which there was no tariff authority in the tariffs which you examined?—A. To seventeen of the points there was no tank or barrel rate provided in any of the tariffs referred to by Mr. Green or Mr. Culp via the Illinois Central Railroad and Grand Junction; to ten additional points there was no tank car rate provided. I found another tariff to three of the points, naming a class rate which would apply on tank cars or barrels to the points named in those issues.

Q. So that that division sheet was in this respect substantially the same as the previous ones?—A. Substantially the same as the previous ones.

Q. Was the same condition true of the next one, petitioner's Exhibit 652-A?—A. 652-A was practically the same as 651, but I think in 652-A there were twelve points not provided for with a tank car rate.

Q. Have you a memorandum from which you can be sure to that?—A. I think I have. Seventeen points were shown in 652-B to which there was no rate provided for via the Illinois Central and Grand Junction in any tariff that I could locate. There were twelve additional points to which there was no tank car rate provided for on the basis shown in these sheets via this route, with the exception of three points to which I found a class rate which would apply on tank cars or barrels on the same basis as shown in this issue.

Q. What condition did you find in this respect with regard to petitioner's Exhibit 652-B?—A. Practically the same as the previous issue—that there were seventeen points not provided
13563 for in the tariff applying from Evansville via Illinois Central and Grand Junction on barrel or tank car shipments, and twelve additional points where there was no tariff via the Illinois Central and Grand Junction.

Q. Applying on tank cars?—A. Applying on tank car shipments only. Three points were provided for on a class-rate basis, which was the same as the basis shown in these exhibits.

Q. What was the condition with regard to petitioner's Exhibit 652-C?—A. There were eight points to which there were no rates provided for on a commodity rate basis via the Illinois Central Railroad and Grand Junction on tank car shipments or barrels. There were ten points shown in this exhibit to which there was no rate provided on tank car shipments via the Illinois Central and Grand Junction. There were three points of the total eighteen provided for on a class-rate basis, however, the same as this issue.

Q. What did you find with respect to petitioner's Exhibit 652-D?—A. There were nine points shown in 652-D to which rates as shown in this issue where there was no commodity tariff of the Illinois Central or any tariff of any road that I could find from Evansville via the Illinois Central and Grand Junction that applied on tank car shipments on barrels. There were ten additional points, however, to which I could find no rate on tank car shipments. To three of the

total of nineteen points there was a class rate in effect, the same as in these issues, which would apply on tank cars or barrels.

Q. What did you find with regard to Exhibit 652–E, 652–F, and 652–G?—A. There were two points in this issue, to Blocton, Alabama, and Durham Junction, Georgia. To Blocton, Ala-
13564 bama, there was no rate provided for on tank car shipments in tariffs that I could locate, except a high-class rate.

Q. Not the rate shown in this issue?—A. Not the rate shown in that issue.

Q. What did you find with regard to Exhibit 652–F?—A. Practically the same as 652–E with the exception that the rate shown in this issue, 652–F, was published three days after the rate shown by the Illinois Central Railroad tariff No. I. C. C. 827. 652–G is simply a cancellation of the previous issue—just the cancellation notice.

Cross-examination by Mr. KELLOGG:

Q. Please give us the names of the towns in each one of these exhibits to which you found no rates as you have testified?—A. Alabama City, Alabama; Blakely, Georgia; Columbia, South Carolina; Elberton, Georgia; Eutaw, Alabama; Forsyth, Georgia; Greenville, South Carolina; Harriman, Tennessee; Jackson, Georgia; Knoxville, Tennessee; Madison, Georgia; Morrisons, Georgia; Spartanburg, South Carolina; Social Circle, Georgia; Tuscaloosa, Alabama; Washington, Georgia, and West Point, Georgia.

Q. You mean as to these points in all these division sheets you found no tariffs on file with the Commission covering those points, the rates being the same as stated in these division sheets?—A. I did not say in connection with every one of these issues, Mr. Kellogg, because these issues lapped over between different tariffs. At the time this tariff was issued this tariff (Exhibit 651) was in effect.
13565 Q. You are referring to 651?—A. I am referring to 651. 659 and 651 are practically the same thing.

Q. Referring to Exhibit 659, you say at the time this division sheet was issued——A. At the time this division sheet was issued and in effect there was no tariff that provided a rate on the basis shown in 659 to those points.

Q. That is, none that you could find in the office of the Interstate Commerce Commission?—A. None that I could find in the office of the Interstate Commerce Commission.

Q. Do you mean during any time that was in effect or at the time it went into effect?—A. At the time it went into effect and up to a given period. I think the given period was the date of the Illinois Central I. C. C. 772.

Q. Then, during some of the time 659 was in existence there may have been tariffs?—A. To those points?

Q. Yes.—A. Not that I could locate.

Q. That is, you mean during any of the time that division sheet 659 was in existence?—A. Up to the date of I. C. C. No. 72?

Q. Well, what date was that?—A. I think I have a memorandum of that. [After referring to paper.] March 19, 1899.

Q. Well, why did you take that date?—A. Because that was the tariff referred to by Mr. Green, and it was the only tariff issued on petroleum and its products, along with other issues on class rates.

Q. How long was Exhibit 659 in force?—A. Exhibit 659 was in force up until April 8, 1898.

Mr. MARTYN. So that all of the time it was in force, then?

13566 WITNESS. All of the time it was in force.

Q. Then, all the time 659 was in force those towns you have named showed no rates covered by any tariff on file with the Interstate Commerce Commission?—A. On the basis in that issue.

Q. On that basis?—A. On that basis, via the Illinois Central and Grand Junction route. When I speak of the Illinois Central I mean the Illinois Central, the Ohio Valley Railroad, and the Chesapeake, Ohio & Southwestern Railroad.

Q. Did you find tariffs having different rates than these?—A. Yes; class-rate tariffs.

Q. Class-rate tariffs?—A. Yes.

Q. Covering all these points?—A. Covering all these points; in some cases higher and in some cases less.

Q. But not the exact rate of which this was a division or purported to be a division?—A. Or purported to be a division. To the three points, however, I specified, Mr. Kellogg; I made the exception of three points to which I found a class rate.

Q. Yes; I understand. Now, you say there were ten additional towns which had no tank-car rate?—A. Ten additional towns which had no tank-car rate in the issue referred to.

Q. What were those towns?—A. Albany, Georgia; Attalla, Alabama; Calera, Alabama; Cedartown, Georgia; Columbus, Mississippi; Gadsden, Alabama; Corinth, Mississippi; Milledgeville, Georgia; Sheffield, Alabama, and Tuscumbia, Alabama. The three points to which I found a class rate were Eutaw, Alabama, 52

13567 cents; Sheffield, Alabama, and Tuscumbia, Alabama, thirty cents, the 30-cent rate being the sixth-class rate, applicable on petroleum and its products, the same as shown in Exhibit 659.

Q. Do these same towns run through each one of these exhibits?—A. In some of the exhibits the number is cut down, from 17 to 10 or 9.

Mr. MARTYN. Those which you found not covered in the subsequent issues are part of those which were not covered in the original issues, in each instance?

WITNESS. Yes.

Mr. KELLOGG. That is what I understand.

WITNESS. But that would take in all of the points, I think, in this one issue. When I spoke of not finding rates, Mr. Kellogg, I meant on the basis of the total rate shown in these division sheets. You understand that?

Mr. KELLOGG. I understand.

(The defendants then rested.)

(The hearing was then adjourned until the morning of Tuesday, January 5, 1909, at 10.30 o'clock.)

LIST OF WITNESSES.

DEFENDANTS' TESTIMONY.

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Akin, Roy S	12	743	8025
Archbold, John D	17	3227	12722
Recalled	17	3629	13483
Arnold, Charles T	12	832	8205
Barker, Walter S	15	2397	11162
Barksdale, Trabue	13	1424	9327
Barnes, G. W	16	2713	11752
Barrett, William A	13	1392	9265
Baxter, Charles W	12	825	8190
Beamer, Charles W	13	1421	9320
Beatty, Edgar G	11	540	7628
Blackwelder, William LeRoy	13	1361	9205
Blaustein, Louis	15	2430	11226
Recalled	15	2568	11481
Do	16	2593	11525
Boyd, E. B	15	2205	10799
Brockett, J. B	13	1297	9083
Browne, Victor H	13	1336	9159
Brusman, S. K	13	1482	9439
Bunce, C. W	16	3021	12336
Burgess, Fred A	12	629	7803
Burnett, Richard R	13	1449	9375
Burton, W. M	16	2632	11599
Calkins, William J	12	706	7952
Case, Myron L	15	2554	11453
Cleary, William E	15	2360	11091
Collings, C. T	12	885	8304
Recalled	12	1052	8621
Do	13	1430	9338
Cowlin, John J	12	797	8133
Cowper, T. B	11	438	7431
Crenshaw, P. C	15	2385	11140
Curtis, Theodore H	12	551	7649
Recalled	12	615	7775
Daniel, H. V	13	1388	9258
Deems, John F	12	608	7759
Densberger, L. J	12	1020	8559
Doane, Arnold	12	729	7997
Dorsett, Leonard P	15	2395	11157
Drake, L. J	12	762	8062
Recalled	13	1067	8649
Do	17	3535	13303
Dredger, C. M	17	3540	13314
Duling, John W	13	1311	9110
Eitel, Edward E	13	1320	9127
Epperson, R. F	13	1348	9181
Eyman, F. P	15	2125	10648

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Fair, R. P	13	1400	9281
Farrar, J. E	13	1444	9365
Fechtig, F. H	11	334	7228
Felton, H. E	14	1587	9640
Ferguson, G. B	15	2362	11096
Finlay, A. M	14	1943	10305
Fort, V. D	15	2147	10690
Fritch, Louis C	11	69	6705
Frye, Leopold	15	2410	11188
Geiser, William	16	2836	11985
Gordon, A	15	2406	11179
Graze, Jacob	13	1574	9618
Greenlees, J. R	16	2745	11815
Griffen, Anson C	12	772	8081
Hafley, Ephriam	12	737	8013
Hand, C. H	12	1049	8614
Hanson, William R	13	1479	9432
Hart, Silas W	13	1511	9498
Hayes, C. M	12	1023	8565
Hayes, Ethridge Warren	11	257	7077
Hedgecock, Edwin S	12	580	7706
Hewitt, Frank L	13	1329	9145
Hibbits, F. N	11	119	6805
Hicks, John R	12	822	8183
Hodges, W. E	11	349	7257
Hodgson, R. E	13	1386	9254
Hollands, Frederick S	16	2802	11923
Recalled	16	2858	12026
Holmes, William	12	663	7867
Howk, Josiah	13	1509	9493
Hurlbut, W. D	14	2030	10469
Johnson, Edward T	15	2223	10834
Johnson, J. Flem	13	1451	9379
Johnson, Joseph French	17	3555	13342
Johnson, W. H	16	2778	11876
Jones, Robert R	13	1438	9353
Kallman, William S	15	2281	10942
Keating, Thomas B	12	817	8173
King, William R	12	677	7895
Recalled	15	2354	11079
Klauser, H. R	15	2565	11474
Leland, F. A	15	2211	10811
Lillard, Ernest L	13	1377	9236
Litchfield, R. S	16	2655	11642
Loomis, Daniel A	15	2340	11052
Lown, Charles H	17	3667	13558
Lyles, James R	13	1200	8901
Martin, H. C	15	2168	10730
Recalled	15	2336	11045
Mathews, Frank P	16	2623	11583
Meehan, Michael	11	305	7170
Middleswart, Russell R	13	1473	9421
Miller, Roswell	11	324	7207
Mills, R. E	13	1490	9456
Moore, William S	13	1470	9415
McCulloch, W. T	15	2342	11057

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McKenna, Edward	11	25	6617
McMillan, Wm. D	12	711	7961
McVicar, G. E	11	185	6937
Odell, J. T	11	100	6768
Oppel, Herman H	15	2382	11134
Page, John	16	2920	12144
Palmer, William M	12	810	8158
Parran, Dalrymple	13	1153	8814
Parsells, George E	13	1184	8873
Recalled	16	2608	11553
Passmore, H. E	11	295	7150
Pauley, Elbert L	12	842	8225
Pflegler, Thomas W	13	1499	9473
Pierpont, Henry E	14	1994	10402
Recalled	15	2117	10634
Potter, Henry R	13	1502	9479
Recalled	13	1574	9617
Purse, Artie	13	1278	9048
Purse, C. G	13	1209	8918
Purse, Robert L	13	1305	9098
Roberts, Almeron H	12	829	8198
Robinson, Bruce	13	1102	8716
Recalled	16	2612	11561
Rockefeller John D	16	3053	12396
Rodgers, H. O	15	2421	11209
Schoder, E. W	16	3024	12341
Sedgwick, E. V	11	154	6876
Shimp, Edgar	13	1477	9429
Shubert, F. J	15	2178	10749
Skinner, Calvin	11	218	7001
Sparks, Finley H	13	1172	8848
Speare, Lewis R	11	495	7541
Squire, F. B	13	1515	9505
Recalled	13	1577	9623
Stack, P. H	11	315	7190
Steinbrenner, C. C	11	3	6574
Recalled	11	375	7308
Do	11	440	7437
Do	11	504	7559
Stith, W. C	14	1969	10355
Talbot, Charles H	12	773	8084
Taylor, David S	15	2417	11200
Taylor, William O	11	372	7302
Tilford, H. M	17	3488	13214
Towl, Forrest M	15	2357	11084
Recalled	17	3598	13423
Trann, J. L	12	1025	8569
Tucker, Horace	16	2894	12095
Turner, Alexander	11	230	7025
Tuthill, George	12	778	8094
Upham, Charles C	12	673	7887
Vandergrift, J. W	16	2977	12252
Wagner, Peter J	12	838	8216
Walsh, James F	11	272	7104

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Walsh, William	11	201	6968
Wasmann, Hugo Charles	17	3619	13463
Waters, W. B	13	1462	9401
Watt, P. M	12	799	8137
Watts, J. G	16	2706	11739
Weymouth, Thomas R	16	2975	12248
Wilmer, Lemuel	13	1235	8967
Worley, N. Maynard	13	1345	9175
Zimmerman, Fred	15	2089	10579
Recalled	15	2144	10684
Do	15	2203	10796

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